DOCUMENTS DEPARTMENT

RETIREMENT BOARD

Minutes

REGULAR MEETING

JANUARY 12, 1982 - 10:00 A.M.

PRESENT	Raymond L. Weisberg, M.D.	-	President
	Peter D. Ashe	-	Vice-President
	Leon Bruschera	-	Commissioner
	Warren DeMerritt	-	Commissioner
	Meta K. Stanley	-	Commissioner
ABSENT	Paul F. Denning	-	Commissioner
	John L. Molinari	-	President Board of Supervisors

MINUTES Regular Meeting - December 29, 1981

ACTION: Approved

In the temporary absence of President Weisberg, Vice President Ashe assumed the Chair.

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

(a) VOLUNTARY SERVICE RETIREMENT LIST, No. 15-81.

(b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Leroy Axelsen - Approx. $ 3,000.00

(c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Alan S. Jones - $ 700.00

(d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT:

Lee S. Dolson - $ 1,659.92

(e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT:

Ella Hill Hutch (deceased) - $ 1,491.42

(f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT:

Harry S. Suslow - $ 18,500.00

(g) W.C.A.B. - COMPROMISE AND RELEASE:

Nancy Schallman - $ 500.00

(h) W.C.A.B. - COMPROMISE AND RELEASE:

John Crafts (deceased) - $ 1,100.00

(i) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT:

Gary P. McDonough - $ 1,051.67
Michelle B. Geray - $ 1,435.66

(j) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT:

Gail Leyton - $ 4,000.00

ACTION: At the request of Board Members, Items (f), (g) and (h) were removed and placed under Regular Calendar for action. On motion by DeMerritt, seconded by Stanley, the Consent Calendar, except items (f), (g) and (h), was approved, 4-0.

ITEM

(1)

(2)

(3)

(4)

(5)

REGULAR CALENDAR

ITEM

(1) REQUEST TO WITHDRAW FROM DEFERRED COMPENSATION PLAN:

Patrick J. White - $ 2,142.58

Mr. White appeared before the Board to explain his reasons for requesting withdrawal of his funds from the deferred compensation plan.

ACTION: On motion by Bruschera, seconded by DeMerritt, Mr. White's request was approved, 4-0.

(2) PROPOSITION "F" UPDATE:

Clare Murphy rendered a written and oral report to the Board (Preliminary Statistical Analysis) on the status of Proposition "F", the Police-Fire Buyout Plan. (Copy of report attached to these minutes.)

ACTION: Information item only.

(3) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT:

Harry S. Suslow - $ 18,500.00 (Referred from Consent Calendar.)

ACTION: Following an explanation of the case by Legal Counsel, a motion was made by Bruschera, seconded by DeMerritt, to approve the settlement; motion passed, 4-0.

(4) W.C.A.B. - COMPROMISE AND RELEASE:

Nancy Schallman - $ 500.00 (Referred from Consent Calendar.)

ACTION: Following an explanation of the case by Legal Counsel, a motion was made by Bruschera, seconded by Stanley, to approve the compromise and release; motion passed, 4-0.

(5) W.C.A.B. - COMPROMISE AND RELEASE:

John Crafts (deceased) - $ 1,100.00 (referred from Consent Calendar.)

ACTION: Following an explanation of the case by Legal Counsel, a motion was made by DeMerritt, seconded by Bruschera, to approve the compromise and release; motion passed, 4-0.

NOTE: Dr. Weisberg arrived at this point in the meeting and assumed the Chair.

(6)

7)

(6) HEARING OFFICER DECISIONS:

a) BERKELY, George R.
Acting Administrator - Laguna Honda Hospital
Ordinary Disability Retirement — GRANTED

b) KILLEN, Ronald R.
Police - Police Officer
Industrial Disability Retirement
Effective Date - December 2, 1981 — GRANTED

c) LUCERO, Leo
Truck Driver - Water Department
Ordinary Disability Retirement
Effective Date - July 13, 1981 — GRANTED

d) MARKELL, Guy A.
Fire - Firefighter
Ordinary Disability Retirement
Effective Date - March 1, 1981 — DENIED

e) MIKULIK, William C.
Police - Lieutenant
Industrial Disability Retirement
Effective Date - August 3, 1977 — DENIED

f) RINALDI, Frances M.
Public Health - Nurse
Ordinary Disability Retirement
Effective Date - July 1, 1981 — GRANTED

g) SHUEY, Michael G.
Fire - Firefighter
Industrial Disability Retirement
Effective Date - October 3, 1978 — DENIED

ACTION: Motion by Bruschera, seconded by Stanley, Hearing Officer decisions accepted, 5-0.

7) REQUEST TO RESCIND BOARD ACTION OF DECEMBER 29, 1981 GRANTING DONNELL TROTTER 68% W.C.A.B. RATING:

ACTION: Motion by Bruschera, seconded by DeMerritt, request to rescind Board action of December 29, 1981 approved, 5-0.

ITE

1.

2.

3.

4.

5.

SUPPLEMENTAL CALENDAR

ITEM

1. Request to withdraw funds from Deferred Compensation Plan;

   John T. Shipman - $ 1,300.00 (approx.)

   ACTION: Motion by Bruschera, seconded by DeMerritt, request approved, 5-0.

2. W.C.A.B. Settlement: Compromise & Release

   Mark Johnson - $ 3,750.00

   ACTION: Motion by Stanley, seconded by Bruschera, compromise & release approved, 5-0.

3. W.C.A.B. Settlement: Compromise & Release

   Ernest Kawana - $ 14,000.00

   ACTION: Motion by Ashe, seconded by Bruschera, compromise & release approved, 5-0.

4. W.C.A.B Settlement: Compromise & Release

   Harold Ray - $ 7,950.00

   ACTION: Motion by DeMerritt, seconded by Stanley, compromise & and release approved, 5-0.

5. W.C.A.B. Settlement: Compromise & Release

   Raymond Suen - $ 5,000.00

   ACTION: Motion by Bruschera, seconded by Stanley, compromise & release approved, 5-0.

1.

GENERAL MANAGER'S REPORT

1. Report Re Legislative and Personnel Committee Action On Proposed Charter Amendments:

The General Manager reported that the Legislative and Personnel Committee of the Board of Supervisors, January 5, 1982, heard and took action on the following charter amendments:

a) Charter amendment (third draft), amending Section 8.510, to provide that the costs of administration of the Retirement System shall be paid from funds of the system. File 299-80. (Supervisor Molinari)

STATUS: Referred to City Attorney for purposes of combining with proposed charter amendment amending Section 8.509 (See No. 2 below)

b) Charter amendment (first draft), amending Section 8.509 thereof, relating to actuarial valuation and investigation into the experience under the retirement system and expenses thereto. File 315-81. (Supervisor Molinari)

STATUS: Referred to City Attorney for purposes of combining with proposed charter amendment amending Section 8.510 (See No. 1, above.)

c) Charter amendment (first draft), amending Section 3.671 thereof, relating to the functions, powers and duties of the Retirement Board. File 312-81. (Supervisor Molinari)

STATUS: Referred to City Attorney for purposes of combining with proposed charter amendment amending Section 3.672 (see below)

d) Charter amendment (second draft), amending Section 3.672 thereof, relating to the appointment of the Secretary-General Manager and authorizing the Secretary-General Manager to appoint an executive secretary. File 313-81. (Supervisor Molinari)

STATUS: Referred to City Attorney for purposes of combining with proposed charter amendment amending Section 3.672 (see No. 3, above)

ACTION: Information item only.

2.

2. Report Re New Proposed Charter Amendments For June 1982 Ballot.

The General Manager reported that the following proposed charter amendments were newly introduced for consideration for the June 1982 ballot:

a) Charter Amendment, amending Section 3.670 relating to Board composition. File No. 537-81 (Supervisor Molinari)

STATUS: Awaiting draft in proper form from City Attorney.

b) Charter Amendment, adding new section to provide that retirement allowance payable to the surviving spouse of a member shall not be terminated upon the remarriage of said surviving spouse, provided that such remarriage occurs on or after said surviving spouse attains the age of 60 years. File No. 535-81. (Supervisor Kennedy)

STATUS: Awaiting draft in proper form from City Attorney, who has requested further information from author as to legislative intent.

c) Charter Amendment, amending Section 3.670 relating to Board composition; provides that Mayor shall appoint 4 members and that a retired member shall be elected to the Board, effective August 15th, 1982. File No. 556-81 (Supervisor Dolson)

STATUS: Awaiting draft in proper form from City Attorney.

ACTION: With respect to a), above, the Board instructed staff to inform Supervisor Molinari that if the President of the Board of Supervisors is replaced on the Retirement Board by a member of the Board of Supervisors, said member should be either the Chairperson of the Finance Committee or the Legislative and Personnel Committee.

BOARD MEMBERS

Discussion Re International Foundation Institutes For 1982.

The Board reviewed and discussed the various Public Employee retirement and pension conferences scheduled by the International Foundation for 1982. No action was taken at this time.

There being no further business, the Board adjourned its meeting in memory of the deceased spouse of Fred Sebastinelli, Security Analyst of the Retirement System. The meeting adjourned at 12:40 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

RETIREMENT BOARD

REGULAR MEETING

JANUARY 26, 1982 - 10:00 A.M.

PRESENT	Raymond L. Weisberg, M.D.	-	President
	Peter D. Ashe	-	Vice-President
	Leon Bruschera	-	Commissioner
	Warren DeMerritt	-	Commissioner
	Paul F. Denning	-	Commissioner
	Meta K. Stanley	-	Commissioner
ABSENT	John L. Molinari		President Board of Supervisors

MINUTES Regular Meeting - January 12, 1982

ACTION: Approved

QUARTERLY INVESTMENT MEETING

January 26, 1982 - 10:00 A.M.

ITEM

1. REVIEW AND DISCUSSION OF THE BOND PORTFOLIO AND TRANSACTIONS FOR THE QUARTER ENDED DECEMBER 31, 1981.

   Staff presented oral and written report on status of bond portfolio and transactions for quarter ending December 31, 1981. (Transcript of meeting incorporates remarks and comments)

2. REVIEW AND DISCUSSION OF THE STOCK PORTFOLIO AND TRANSACTIONS FOR THE QUARTER ENDED DECEMBER 31, 1981.

   Staff presented oral and written report on status of stock portfolio and transactions for quarter ending December 31,1981. (Transcript of meeting incorporates remarks and comments)

3. REVIEW AND DISCUSSION OF THE REAL ESTATE HOLDINGS IN CB INSTITUTIONAL FUNDS III, IV, V, AND VI FOR THE QUARTER ENDED SEPTEMBER 30, 1981.

   Staff presented oral and written report on status of real estate holdings for quarter ending September 30, 1981. (Transcript of meeting incorporates remarks and comments)

4. REVIEW AND DISCUSSION OF THE OPTION TRANSACTIONS FOR THE QUARTER ENDED December 31, 1981.

   Staff presented oral and written report on status of option transactions for the quarter ending December 31, 1981. (Transcript of meeting incorporates remarks and commendts)

5. ECONOMIC OUTLOOK FOR RESPECTIVE CAPITAL MARKETS.

   Mr. Springman, Chief Investment Officer, gave an oral report on the current economic outlook for the various capital markets. (Transcript of meeting incorporates remarks and comments)

6. RECOMMENDED INVESTMENT POLICY FOR THE PERIOD ENDING APRIL 30, 1982.

   ACTION: On motion by Ashe, seconded by Stanley, the Board approved staff's recommended investment policy for period ending April 30, 1982, 5-0 (Bruschera not voting) (Policy attached to these minutes)

7. COMPLETION OF DISCUSSION OF STATEMENT OF INVESTMENT OBJECTIVES AND GUIDELINES.

Staff to present in writing a condensed statement regarding investment objectives and guidelines.

8. DISCUSSION AND RECOMMENDATION TO SUBSCRIBE TO ECONOMIC FORECASTING SERVICE.

ACTION: On motion by Ashe, seconded by DeMerritt, the Board authorized Investment Division at its descretion to subscribe to Claremont Economics Institute forecasting service at a cost of $12,000 per annum, 6-0.

9. DISCUSSION AND RECOMMENDATION TO RETAIN AN ADDITIONAL INVESTMENT MEASURE SERVICE.

ACTION: On motion by Bruschera, seconded by Stanley, the Board approved staff recommendation to review and determine the need for an additional measuring service and that, at a future Board meeting the Board will interview and select a firm to provide said service, 6-0.

NOTE: Written report on bond, stock and option transactions is attached to these minutes.

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM:

(a) VOLUNTARY SERVICE RETIREMENT LIST, No. 16-81.

(b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Dorothy Hansen - $6,000.00

(c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Rene Morales - $1,000.00 (Approx.)

(d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
Herbert Rosen - $3,000.00

(e) W.C.A.B. SETTLEMENT - Compromise and Release
William Kendall - $750.00

(f) W.C.A.B. SETTLEMENT - Compromise and Release
James Magliulo - $6,500.00

(g) MEDICAL BILLS AND REPORTERS' SERVICES - $741.00 Payroll Period 2

ACTION: Motion by Stanley, seconded by Bruschera, Consent Calendar approved 6-0.

REGULAR CALENDAR

ITEM

(1) CONTRACT RENEWAL - CONSULTING ACTUARY
Milliman and Robertson - January 1, 1982 to June 30, 1982

ACTION: Motion by Bruschera, seconded by Ashe, contract for Consulting Actuary, Milliman and Robertson, Inc., for period January 1, 1982 to June 30, 1982, at a fee of $12,000, approved 6-0.

Doctor Weisberg left the meeting at this point.

Mr. Ashe assumed the Chair.

(2) W.C.A.B. RATING
Kurt W. Lowe - 50% to 83%

ACTION: By ballot vote, the Board approved a W.C.A.B. rating of 83% for Mr. Lowe, effective July 15, 1980, 5-0.

(3) HEARING OFFICER DECISIONS:

a) BECKHAM, John L.
Public Health - Sr. Dept. Personnel Officer
Petition by Retirement Board for Rehearing DENIED

b) CORNELIUS, Clarence
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - July 1, 1981 GRANTED

c) GEFNER, Robert L.
Police - Police Officer
Determination — GRANTED

d) KNOX, Daniel L.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - June 1, 1981 — GRANTED

e) LYSTER, Stephen D.
Police - Police Officer
Industrial Disability Retirement
Effective Date - January 8, 1981 — GRANTED

f) SPENCER, Robert B.
Fire - Firefighter
Industrial Disability Retirement
Effective Date - July 16, 1981 — GRANTED

g) WILLETT, Robert C.
Fire - Lieutenant
Industrial Disability Retirement
Effective Date - July 16, 1980 — DENIED

ACTION: Motion by Bruschera, seconded by Denning, that staff be instructed to actively pursue medical reexamination of John L. Beckham and, in addition, that Beckham's activities be placed under surveillance. Motion passed, 5-0.

Motion by Bruschera, seconded by DeMerritt, to accept Hearing Officer decisions. Motion passed 4-1 (Denning opposed)

SUPPLEMENTAL CALENDAR

ITEM

1. W.C.A.B. SETTLEMENT - Compromise and Release

Gary S. Hocom - $6,000.00

ACTION: Motion by Stanley, seconded by Bruschera, to approve. Motion passed, 5-0.

2. W.C.A.B. SETTLEMENT - Compromise and Release

Seddie L. Blunt - $1,562.42

ACTION: Motion by Denning, seconded by Bruschera, to approve. Motion passed, 5-0.

3. REQUEST TO CANCEL APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Richard L. Conti - Effective Date of Retirement - March 11, 1981

ACTION: Motion by Bruschera, seconded by Stanley, to approve. Motion passed, 5-0.

4. REQUEST TO RESCIND BOARD ACTION OF JANUARY 12, 1982 AND CHANGE RETIREMENT DATE FROM JANUARY 13, 1982 TO FEBRUARY 2, 1982.

John L. Takacs

ACTION: Motion by DeMerritt, seconded by Bruschera, to approve. Motion passed, 5-0.

5. REQUEST TO RESCIND BOARD ACTION OF JANAURY 12, 1982 AND CHANGE RETIREMENT DATE FROM DECEMBER 30, 1981 TO JANUARY 6, 1982.

Doris W. Kahn

ACTION: Motion by Bruschera, seconded by Stanley, to approve. Motion passed, 5-0.

6. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Honor B. Dixon - $10,000.00

ACTION: Motion by Bruschera, seconded by Stanley to approve. Motion passed, 5-0.

GENERAL MANAGER'S REPORT

The General Manager rendered a report to the Board on the status of proposed charter amendments for the June 1982 ballot:

1 - Charter amendment amending Section 8.510, relating to actuarial valuation and investigation into the experience under the retirement system and expenses thereto, and to provide that the costs of administration of the Retirement System shall be paid from funds of the system.

Given "Do Pass" by L&P Committee and referred to Board of Supervisors for final action.

2 - Charter amendment adding Section 6.314, relating to the investment of pension funds and securities by the Retirement Board.

Referred to Board of Supervisors "Without Recommendation".

3 - Charter amendment adding Section 8.519, relating to surviving spouse retirement benefits.

No action taken by L&P Committee pending receipt of actuarial costs report; over to meeting of 2/2/82.

4 - Charter amendment adding Section 8.519-1, relating to surviving spouse retirement benefits for Police/Fire transfers.

(Same as Item 3, above)

5 - Charter amendment amending Section 3.670, relating to Retirement Board composition. (Supervisor Molinari)

Ordered consolidated with No. 6, below, and over to meeting of 2/2/82.

6 - Charter amendment amending Section 3.670, relating to the composition of the Retirement Board. (Supervisor Dolson)

Ordered consolidated with No. 5, above, and over to meeting of 2/2/82.

7 - Charter amendment amending Section 3.671 and 3.672 thereof, relating to the functions, powers and duties of the Retirement Board, and the secretary-general manager and the executive secretary for the Retirement Board.

Given "Do Pass" by L&P Committee and referred to Board of Supervisors for final action.

There being no further business, the Board adjourned its meeting at 4:00 P.M.

Respectfully submitted

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

January 26, 1982

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD
ENDING APRIL 30, 1982

FUNDS ANALYSIS

Cash available for investment as of January 21, 1982		$52,789,000
Projected net cash additions to the portfolio for ensuing three months		13,705,000
Total funds available		$66,494,000
Less:		
Funds previously allocated for bond purchases	$ 186,000	
Funds previously allocated for stock purchases	43,708,000	
Funds previously allocated for real estate	-0-	$43,894,000
		$22,600,000

RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD ENDING APRIL 30, 1982

Funds invested in real estate	$ -0-
Funds invested in common stock	-0-
Funds invested in bonds	$22,600,000
Total new funds available for investment	$22,600,000

Temporarily invested in money market instruments

Prepared by the Retirement System
Investment Staff

RETIREMENT BOARD

Minutes

REGULAR MEETING

FEBRUARY 9, 1982 - 10:00 A.M.

PRESENT	Raymond L. Weisberg, M.D.	-	President
	Peter D. Ashe	-	Vice-President
	Leon Bruschera	-	Commissioner
	Warren DeMerritt	-	Commissioner
	Paul F. Denning	-	Commissioner
	Meta K. Stanley	-	Commissioner
ABSENT	John L. Molinari		President Board of Supervisors

MINUTES Regular Meeting - January 26, 1982

ACTION: Approved

III

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(j)

(k)

(l)

(m)

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM:

(a) VOLUNTARY SERVICE RETIREMENT LIST, No. 17-81

(b) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT
Edward Cummings

(c) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT
Charles T. Gretton

(d) W.C.A.B. - COMPROMISE AND RELEASE
Edward O'Haire - $30,000

(e) W.C.A.B. - COMPROMISE AND RELEASE
Rose Cyprian - $12,500

(f) W.C.A.B. - COMPROMISE AND RELEASE
Walter Kuelz - $12,000

(g) SETTLEMENT OF DISPUTED CLAIM - Subrogation
George Carrington - $998.25

(h) SETTLEMENT OF DISPUTED CLAIM - Subrogation
William Cunningham - $2,000.25

(i) SETTLEMENT OF DISPUTED CLAIM - Subrogation
Larry Smith - $811.79

(j) REQUEST TO WITHDRAW FROM DEFERRED COMPENSATION PLAN
Timothy W. McLeod

(k) SETTLEMENT OF DISPUTED CLAIM - Subrogation
Frances Perasso - $6,000

(l) SETTLEMENT OF DISPUTED CLAIM - Subrogation
James Herman - $170.00

(m) SETTLEMENT OF DISPUTED CLAIM - Subrogation
J. C. Rodgers - $500.00

ACTION: Motion by Bruschera, seconded by Stanley, Consent Calendar approved 5-0.

EXECUTIVE SESSION: At this point in the meeting, the Board went into Executive Session to discuss and consider personnel matters.

REGULAR CALENDAR

President Weisberg left the meeting at this time: Vice-President Ashe assumed the chair. Commissioner DeMerritt arrived at this point in the meeting.

(1) REPORT REGARDING STUDY OF STRESS AND HYPERTENSION AMONG EMPLOYEES OF MUNICIPAL RAILWAY:

June M. Fisher, M.D., Director, Center for Municipal Occupation Safety and Health, Department of Public Health, informed the Board of an ongoing study of stress and hypertension among municipal bus drivers and requested that the Retirement Board support the study and the continuation of the grant funding the study.

On motion by Bruschera, seconded by DeMerritt, the Board unanimously went on record in support of the study and instructed the General Manager to submit a letter supporting Dr. Fisher's request for continuation of the grant funding the study.

(2) COMMUNICATION FROM RICHARD G. HENDERSON REGARDING DEFERRED COMPENSATION PLAN

ACTION: Motion by Stanley, seconded by Denning, to refer communication to staff for report; motion approved 5-0.

(3) HEARING OFFICER DECISIONS:

a) DOUSETTE, Robert
Public Health - Medical Steward
Ordinary Disability Retirement - Weak legs, heart disease, chronic left arm injury
GRANTED

b) ENEA, JR., Salvatore
Public Works - Custodian
Ordinary Disability Retirement - Emotional distress
GRANTED

ACTION: Motion by DeMerritt, seconded by Bruschera, Hearing Officer decisions accepted, 5-0.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - Subrogation - 3rd party

   Billye Morrow - $4,201.97

   ACTION: On motion by Stanley, seconded by Denning, settlement of disputed claim approved, 5-0.

2. INVESTMENTS

   Proxy - Hewlett-Packard Co.

   The Board took action on the following shareholder proposals:

   1) Restrictions on business in South Africa:

      By ballot vote, the Board voted "For" Shareholder Proposal No. 1, 5-0.

   2) Restrictions on business with the Union of Soviet Socialist Republics:

      By ballot vote, the Board voted "For" Shareholder Proposal No. 2, 5-0.

GENERAL MANAGER'S REPORT

1. REPORT REGARDING STATUS OF PROPOSED CHARTER AMENDMENTS FOR JUNE 1982 ELECTION:

   The General Manager issued the following written report to the Board on the current status of proposed charter amendments for the June 1982 election:

   (Note: Dr. Weisberg returned to the meeting during discussion of this report.)

   a) Charter amendment amending Section 8.510, relating to actuarial valuation and investigation into the experience under the retirement system and expenses thereto, and to provide that the costs of administration of the Retirement System shall be paid from funds of the system.

   ACTION: Approved by Board of Supervisors for submission to voters; amended by Board to delete "costs of administration of the Retirement System shall be paid from funds of the System."

   b) Charter amendment adding Section 6.314, relating to the investment of pension funds and securities by the Retirement Board.

   ACTION: Approved by Board of Supervisors for submission to voters; amended by Board to include Section 3.301 as exceptions to "Notwithstanding any other provisions of this charter....."

c) Charter amendment adding Section 8.519, relating to surviving spouse retirement benefits.

ACTION: Given "do pass" by Legislative and Personnel Committee as amended, and referred to Board of Supervisors for final action.

d) Charter amendment adding Section 8.519-1, relating to surviving spouse retirement benefits for Police/Fire transfers.

ACTION: Tabled by Legislative and Personnel Committee

e) Charter amendment, amending Section 3.670, relating to Retirement Board composition. (Supervisor Molinari)

ACTION: Given "do pass" by Legislative and Personnel Committee as amended, and referred to Board of Supervisors for final action. Charter amendment is a "combined" amendment, containing provisions proposed by Supervisor Molinari's amendment and Supervisor Dolson's amendment (adds retired member to Board.)

Charter amendment, amending Section 3.671 and 3.672 thereof, relating to the functions, powers and duties of the Retirement Board, and the secretary-general manager and the executive secretary for the Retirement System.

ACTION: Given "do pass" by Legislative and Personnel Committee and referred to Board of Supervisors for final action. This is also a "combined" amendment, incorporating proposed amendments in Section 3.671 and 3.672, both previously approved by the Retirement Board.

2. REPORT REGARDING STATUS OF PROPOSED RELOCATION OF FRANCISCAN TREATMENT ROOM WITHIN ST. FRANCIS HOSPITAL:

The General Manager updated the Board on the move to relocate the Franciscan Treatment Room facilities at St. Francis Hospital. Further information on this move will be furnished the Board at its next meeting.

There being no further business, the Board adjourned its meeting at 1:20 p.

Respectfully submitted

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

SF

RETIREMENT BOARD

REGULAR MEETING

FEBRUARY 23, 1982 - 10:00 A. M.

PRESENT	Raymond L. Weisberg, M. D.	-	President
	Peter D. Ashe	-	Vice-President
	Warren DeMerritt	-	Commissioner
	Paul F. Denning	-	Commissioner
	Meta K. Stanley	-	Commissioner
ABSENT	Leon Bruschera		Commissioner
	John L. Molinari		President Board of Supervisors

SPECIAL ORDER:

By official notification from the Registrar of Voters, hereby attached to these minutes, Warren J. DeMerritt was declared elected to the Retirement Board for a term of office expiring February 1987. Commissioner DeMerritt was officially sworn-in to office by the Honorable John A. Ertola, Judge of the Superior Court of the State of California, on February 22, 1982, and, on this date, February 23, 1982, was seated on the Retirement Board.

MINUTES Regular Meeting - February 9, 1982

ACTION: Approved

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

(A) W.C.A.B. - Compromise and Release

Sicily Harris - $317.37

(B) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Avelino D. Deyto

ACTION: On motion by DeMerritt, seconded by Stanley, Consent Calendar approved, 5-0.

INVESTMENT CALENDAR

INVESTMENT MEASUREMENT REPORT:

Callen and Associates, in conjunction with Investment Division staff, rendered its quarterly Investment Measurement Report for the period ending December 31, 1981. Questions and answers ensued.

Inasmuch as this was an information only item, no Board action was taken on the report.

REGULAR CALENDAR

ITEM

1) RETIREMENT SYSTEM BUDGET - Fiscal 1982-83

Staff presented the proposed 1982-83 Retirement System Administrative budget; following a question and answer period, a motion was made by DeMerritt, seconded by Stanley, to approve the 1982-83 budget. Motion passed, 5-0.

ITEM

2) HEARING OFFICER DECISIONS:

a) HAMMOND, Bonnie
S.F.U.S.D. - Teacher
Ordinary Disability Retirement - Breast Cancer GRANTED

b) McDONALD, James F.
Police - Sergeant
Determination - Right Ankle DENIED

c) NEVINS, Mabel T. (Widow of Dennis J.)
Police - Police Officer
Continuation of Retirement Allowance DENIED

d) SCHAFER, Mary (Widow of Charles E,)
Fire - Firefighter
Continuation of Retirement Allowance GRANTED

e) SIMS, Ermagene P.
Laguna Honda Hospital - Head Nurse
Ordinary Disability Retirement - Arthritis, Knees GRANTED

ACTION: On motion by Stanley, seconded by Denning, Hearing Officers decisions were accepted, 5-0.

3) RESOLUTION COMMENDING MARY J. LING, Assistant Retirement Analyst.

A resolution, commending Mary J. Ling on the occasion of her retirement from City Service, was presented to the Board. On motion by Stanley, seconded by DeMerritt, the resolution, hereby attached to these minutes, was adopted, 5-0.

SUPPLEMENTAL CALENDAR

ITEM

1. W.C.A.B. - Compromise and Release

Odeal Stevens - $500.00

ACTION: Motion by STanley, seconded by Denning, to approve; motion passed, 5-0.

ITEM

2. W.C.A.B. - Compromise and Release

Monica Carter - $1,177.00

ACTION: Motion by Ashe, seconded by DeMerritt, to approve; motion passed, 5-0.

3. REQUEST TO WITHDRAW APPLICATION FOR DETERMINATION

Jerry Puckett - S.F.F.D.

ACTION: Motion by Stanley, seconded by Ashe, to approve; motion passed, 5-0.

GENERAL MANAGER'S REPORT

1) REPORT REGARDING STATUS OF CHARTER AMENDMENTS FOR JUNE 1982 ELECTION.

The General Manager rendered the following report on the status of charter amendments for the June 1982 election:

(a) Charter amendment adding Section 6.314, relating to the investment of pension funds and securities by the Retirement Board.

ACTION: Approved by Board of Supervisors (10-1) for submission to voters; amended by Board to include Section 3.303 as exception to "Notwithstanding any other provisions of this charter....."

(b) Charter amendment, adding Section 8.519 relating to surviving spouse retirement benefits.

ACTION; Approved by Board of Supervisors (8-3) for submission to voters.

(c) Charter amendment, amending Section 3.670, relating to Retirement Board composition and removing Secretary-General Manager from Civil Service.

ACTION: Approved by Board of Supervisors (9-2) for submission to voters.

(d) Charter amendment, amending 3.671 and 3.672 thereof, relating to the functions, powers and duties of the Retirement Board, and the secretary-general manager and the executive secretary for the Retirement System.

ACTION: Approved by Board of Supervisors (10-1) for submission to voters.

With the approval of the above amendments, there will be five (5) charter amendments on the June 1982 ballot. (Section 8.510, as reported to Board at meeting of February 9, 1982.)

Following a review and discussion of the proposed amendments, the Board set Tuesday, March 2, 1982, 10:00 A.M., as the date and time for the Board to meet to determine a Board position, if any, on the proposed charter amendments.

There being no further business, the Board adjourned its meeting at 12:20 P.M., following which the Board went into closed session to discuss personnel matters.

Respectuflly submitted

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

SAN FRANCISCO
1982 FEB 18 AM 11:41
RETIREMENT SYSTEM

FEBRUARY 17, 1982

CERTIFICATE OF ELECTION

I, JAY PATTERSON, REGISTRAR OF VOTERS-RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, DO HEREBY CERTIFY THAT THE COUNT OF VOTES IN THE ELECTION HELD TO SELECT ONE MEMBER TO REPRESENT CITY AND COUNTY EMPLOYEES ON THE RETIREMENT SYSTEM, FOR ONE TERM OF OFFICE ENDING FEBRUARY 20, 1987 SHOWS THE CANDIDATES TO HAVE RECEIVED THE NUMBER OF VOTES SET FORTH BELOW:

BALLOTS RECEIVED:		8,250
QUALIFIED BALLOTS, COUNTED	7,764	
DISQUALIFIED BALLOTS, UNCOUNTED	486	
ELECTION RESULTS, QUALIFIED BALLOTS:		
DEMERRITT, WARREN	5,871	
ARGERSINGER, LOWELL K.	1,893	
DISQUALIFIED BALLOTS:		
UNDELIVERABLE (LEAVES, DECEASED, UNELIGIBLE, ETC.)	273	
UNMARKED OR WRITE-INS	106	
WITHOUT SIGNATURE OR PRINTED SIGNATURE	93	
RECEIVED AFTER ELECTION DEADLINE	12	
TWO BALLOTS IN ONE ENVELOPE	2	

I THEREFORE CERTIFY WARREN DEMERRITT TO BE ELECTED TO THE TERM OF OFFICE EXPIRING IN 1987.

Jay Patterson
JAY PATTERSON
REGISTRAR OF VOTERS-RECORDER

RESOLUTION

WHEREAS, Mary J. Ling has announced her retirement from City Service, effective February 27, 1982, and

WHEREAS, Mary J. Ling will, on February 27, 1982, bring to a close nearly eighteen years of dedicated, faithful and loyal service to the City and County of San Francisco, and

WHEREAS, Mary J. Ling, in July 1964, began her illustrious career in City Service as an Account Clerk in the Department of Social Services and, in 1967, transferred to the Water Department, and

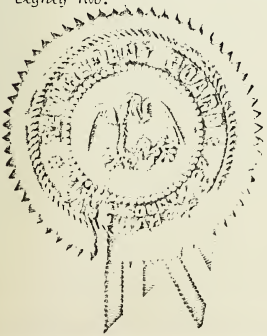
WHEREAS, Mary J. Ling, through sustained individual effort and diligent self-application, was promoted to Senior Account Clerk in the Retirement System in May 1968 and, in September 1978, promoted to Principal Account Clerk, and

WHEREAS, in recognition of her outstanding work and her knowledge of the intracacies and mechanics of benefit calculations, was promoted to Assistant Retirement Analyst in May 1980, NOW

THEREFORE BE IT RESOLVED, that the Retirement Board of the City and County of San Francisco and the General Manager and Staff of the Retirement System congratulate Mary J. Ling on the occasion of her retirement from City Service and, in recognition of her significant contribution and invaluable service to the Retirement System extend sincere and fond appreciation and gratitude for her many years of distinguished service, and

BE IT FURTHER RESOLVED, that the Retirement Board and Staff wish Mary J. Ling a long, happy and well-deserved retirement.

This resolution was presented to and adopted by the Retirement Board on the twenty-third day of February in the year One Thousand Nine Hundred and Eighty Two.



RAYMOND L. WEISBERG, M. D.
President

DANIEL MATTROCCE
General Manager

RETIREMENT BOARD

Minutes

SPECIAL MEETING

MARCH 2, 1982 - 10:00 A.M.

PRESENT	Raymond L. Weisberg, M.D.	-	President
	Peter D. Ashe	-	Vice-President
	Leon Bruschera	-	Commissioner
	Warren DeMerritt	-	Commissioner
	Paul F. Denning	-	Commissioner
	Meta K. Stanley	-	Commissioner
ABSENT	John L. Molinari		President Board of Supervisors

RETIREMENT BOARD

SPECIAL MEETING

MARCH 2, 1982 - 10:00 A. M.

CALENDAR

Special Meeting called for the following purpose:

To review and discuss proposed Charter Amendments on the June 1982 ballot and to determine a Board position, if any, on said proposed charter amendments:

1. Charter amendment amending Section 8.510, relating to actuarial valuation and investigation into the experience under the retirement system and expenses related thereto.

   ACTION: Motion by Bruschera, seconded by DeMerritt, to support charter amendment; motion passed, 6-0.

2. Charter amendment adding Section 6.314, relating to the investment of pension funds and securities by the Retirement Board.

   ACTION: Motion by Bruschera, seconded by Stanley, to support charter amendment; motion passed, 6-0.

3. Charter amendment adding Section 8.519, relating to surviving spouse retirement benefits.

   ACTION: Motion by DeMerritt, seconded by Bruschera, to support charter amendment; vote on motion was 4-2. (Weisberg and Denning opposed) In accordance with Board Rule 16.01, action on any legislation being considered by the Board requires five (5) affirmative votes; Therefore, motion to support charter amendment failed.

4. Charter amendment, amending Section 3.670, relating to Retirement Board composition and removing Secretary-General Manager from Civil Service.

   ACTION: Motion by Denning, seconded by Ashe, to oppose charter amendment; motion passed, 5-1. (Bruschera opposed)

5. Charter amendment, amending Section 3.671 and 3.672 thereof, relating to the functions; powers and duties of the Retirement Board, and the Secretary for the Retirement System.

ACTION: Motion by Denning, seconded by DeMerritt, to support charter amendment; motion passed, 5-1. (Stanley opposed)

The Board requested that staff render a report at the next meeting on recent changes made at the St. Francis Memorial Hospital regarding relocation of Franciscan Treatment Room.

There being no further business, the Board adjourned at 11:50 A.M.

Respectufully submitted

Granville M. DeMerritt

GRANVILLE M. DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

March 2, 1982

-SF

RETIREMENT BOARD

Minutes

REGULAR MEETING

MARCH 9, 1982 - 10:00 A.M.

PRESENT	Raymond L. Weisberg, M. D.	President
	Peter D. Ashe	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Meta K. Stanley	Commissioner
ABSENT	John L. Molinari	President Board of Supervisors

MINUTES

Regular Meeting, February 23, 1982

Special Meeting, March 2, 1982

ACTION: Approved

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, No. 18-81

b) REQUEST TO WITHDRAW APPLICATION FOR SERVICE RETIREMENT
Arturo C. Martinez

c) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT
Harold Suslow

d) W.C.A.B. - Compromise and Release
Robert Martyn - $3,543.50

e) W.C.A.B. - Compromise and Release
Conrad Caravalho - $3,500

f) W.C.A.B. - Compromise and Release
William Haynes - $2,600

g) AUTHORIZATION FOR DESTRUCTION OF RECORDS

ACTION: On motion by Bruschera, seconded by Ashe, Consent Calendar approved, 6-0.

SPECIAL ORDER

In accordance with Board Rule 1, Section 1.03, the Board shall, at its first regular meeting in March of each year, elect a President and Vice President for the next succeeding year.

ACTION: For office of President: Commissioner Bruschera nominated Vice-President Ashe, seconded by DeMerritt. There being no further nominations, Mr. Ashe was elected President for the ensuing year by acclamation.

For office of Vice-President: Commissioner Stanley nominated Commissioner Denning, seconded by Bruschera. There being no further nominations, Mr. Denning was elected Vice President for the ensuing year by acclamation.

At this point, Commissioner Ashe assumed the Chair and thanked the Board for electing him President. The Board expressed appreciation to Doctor Weisberg for his service as Board President during the past year. Doctor Weisberg thanked all Board members for their support during his term of office.

REGULAR CALENDAR

ITEM

1) REQUEST TO WAIVE STATUE OF LIMITATION REGARDING ADJUSTMENT OF RETIREMENT ALLOWANCE

Mabel T. Nevin (Widow of Dennis J. Nevin)

ACTION: Over to meeting of March 30, 1982.

2) HEARING OFFICER DECISIONS

a) AKI, Louis H.
Chief Stationary Engineer - Fire Department
Ordinary Disability Retirement - Stroke & Hypertension GRANTED

b) FAILS, Jimmie H.
Transit Operator - Municipal Railway
Ordinary Disability Retirement - Leukemia GRANTED

c) LYSTER, Stephen D.
Police Officer - Police Department
Industrial Disability Retirement - Left Shoulder;Right Hand GRANTED
IDR granted thru 4/20/82

d) MEEHAN, Joseph
Police Officer - Police Department
Industrial Disability Retirement - Back DENIED

e) RIVERS, Carlton
Bridgetender - Public Works
Ordinary Disability Retirement - Psychological & Physical ailments
DENIED

f) SHERIDAN, June
Sr. Clerk Typist - San Francisco Unified School District
Ordinary Disability Retirement - Heart GRANTED

g) VICKERS, Cleveland
Laborer - Public Works
Ordinary Disability Retirement - Left Knee GRANTED

ACTION: On motion by Bruschera, seconded by Stanley, Hearing Officer decisions were accepted, 6-0.

Doctor Weisberg requested that staff furnish a report to the Board on the number of ordinary disability retirements granted over a period of the last several years.

3) COST OF LIVING ADJUSTMENT: ANNUAL REVIEW AND DETERMINATION

The Board was furnished a memorandum and chart, hereby attached to these minutes, indicating that the Consumer Price Index had increased 15.3% over the privious year, thereby, in accordance with Charter Section 8.526, warranting a 2% cost of living increase for retired employees covered by the provisions of 8.526, effective July 1,1982.

ACTION: Motion by DeMerritt, seconded by Bruschera, to approve 2% cost of living adjustment for retired employees governed by Section 8.526, effective July 1, 1982; motion passed, 6-0.

GENERAL MANAGER'S REPORT

1. REPORT REGARDING RELOCATION OF FRANCISCAN TREATMENT ROOM.

Staff rendered an oral report to the Board on the status of the Franciscan Treatment Room in light of action recently taken to relocate the Treatment Room within the St. Francis Hospital.

Following a question and answer period, the subject was put over to a future meeting pending the return of the General Manager who is on sick leave.

2. Ballot Arguments

Staff distributed to the Board a set of proposed ballot arguments on behalf of three charter amendments that will appear on the June 1982 ballot. No action taken; information item only.

SUPPLEMENTAL CALENDAR

1. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT

John A. Anders - $829.10

ACTION: Motion by DeMerritt, seconded by Weisberg, subrogation settlement approved, 6-0.

2. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT

Kathleen Burns - $1,500.00

ACTION: Motion by Weisberg, seconded by Bruschera, subrogation settlement approved, 6-0.

3. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT

Duane Collins III - $2,66.00

Raymond Francis Mullane $2,054.55

ACTION: Motion by Weisberg, seconded by Denning, subrogation settlement approved, 6-0.

4. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT

Ernest Condon - $4,000.00

ACTION: Motion by DeMerritt, seconded by Stanley, subrogation settlement approved, 6-0.

5. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT

Albert Curtis - $400.00

ACTION: Motion by Weisberg, seconded by Denning, subrogation settlement approved, 6-0.

6. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT

Peter Gamino - $958.88

ACTION: Motion by Weisberg, seconded by Bruschera, subrogation settlement approved, 6-0.

7. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT

Linda Jaffee-Chittle - $2,900.00

ACTION: Motion by Stanley, seconded by Bruschera, subrogation settlement approved, 6-0.

8. W.C.A.B. - Compromise and Release

Ilario Angelo Jessup - $24,913.65

ACTION: Motion by Weisberg, seconded by Stanley, compromise and release approved, 6-0.

9. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT

William Lee - $741.33

ACTION: Motion by Stanley, seconded by DeMerritt, subrogation settlement approved, 6-0.

10. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT

Warren Robinson - $1,000.00

ACTION: Motion by Stanley, seconded by DeMerritt, subrogation settlement approved, 6-0.

11. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION SETTLEMENT

Jim Thompson - $1,829.33

ACTION: Motion by Weisberg, seconded by Bruschera, subrogation settlement approved, 6-0.

12. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Jack Killough - Balance of account

ACTION: Motion by Bruschera, seconded by Stanley, request to withdraw funds from deferred compensation plan approved 6-0.

13. INVESTMENTS:

Discussion of investment management of portfolio. Proposal and methodology for retaining outside investment management firm or firms.

Investment staff reviewed and discussed with the Board various proposals and recommendations relative to the management of the retirement fund in light of the recently announced resignation of George B. Springman, Chief Investment Officer (see memorandum attached to these minutes)

Following the review and discussion, the Board took the following action:

1) Motion by Doctor Weisberg, seconded by DeMerritt, to appoint Jack Stoufer Acting Chief Investment Officer, effective March 16, 1982; motion passed, 6-0.

2) Motion by Doctor Weisberg, seconded by DeMerritt, to adopt in principle: a) The recommended criteria for selection of an Investment Manager; b) The questionnaire to be sent to qualified firms; and c) The list of firms, as proposed, plus any other firm or firms that may be considered qualified; motion passed, 6-0.

There being no further business, the Board adjourned its meeting at 3:20 P.M.

Respectuflly submitted

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

March 9, 1982

ME

TO

FR

SU

Ch
pr
ea
as
cr
er
Ju

Ch
Re
th
wh
da
Ca
pe
ou

In
in
ti

We
da

EA

ene

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
770 GOLDEN GATE AVENUE
SAN FRANCISCO, CA. 94102

February 19, 1982

MEMORANDUM

TO: RETIREMENT BOARD

FROM: Edmond J. Walsh, Actuary

SUBJECT: Cost-of-Living adjustment - Annual Review by the Retirement Board, as required by Charter Section 8.526

Charter Section 8.526 was passed by the San Francisco electorate in 1968 and provided for a maximum 2% Cost-of-Living benefit increase as of July 1st of each year. The maximum of 2% can be applied only if the Consumer Price Index, as published each year by the Bureau of Labor Statistics, shows a Percent increase of at least two percent. Since 1968 the 2% maximum has been exceeded every year by the CPI and consequently a 2% increase has been applied each July 1st to these Miscellaneous benefits.

Charter Section 8.526 (also 8.586, Police and 8.588, Fire) require that the Retirement Board shall determine the percentage of increase or decrease in the Consumer Price Index prior to April 1st of each year and then determine whether or not a Cost-of-Living adjustment shall be applied. In the 1981 Calendar year the Consumer Price Index for all Urban Consumers, San Francisco-Oakland, California, all items (1967=100) showed an increase from 254.9 to 294.0. The percentage increase was 15.3 %, which is the largest percentage increase since our Cost-of-Living legislation went into effect in 1968.

In view of the above it is recommended that the Retirement Board approve a 2% increase in Cost-of-Living effective July 1, 1982 for those members of the Retirement System governed by Charter Section 8.526.

We have attached a copy of the Consumer Price Index, San Francisco-Oakland updated through December 1981.

EW/ts

encls.

BUREAU OF LABOR STATISTICS
WASHINGTON, D.C.

CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
SAN FRANCISCO-OAKLAND CALIFORNIA
ALL ITEMS

(1967=100)

EAR	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	AVG.
946	52.2	51.8	51.9	52.1	52.4	53.6	56.1	57.5	58.7	59.6	61.8	62.4	55.8
947	61.9	61.6	62.4	62.7	62.4	61.9			64.5			65.7	63.3
948			66.7			67.7			68.9			68.8	67.7
949			68.0			67.6			67.4			66.8	67.6
950			67.0			66.8			68.0			70.3	67.6
951			73.1			72.9			72.9			74.8	73.1
952			74.8			76.1			75.8			76.6	75.7
953			76.5			76.9			77.4			77.4	77.0
954			77.1			77.3			77.0			76.6	77.1
955			76.6			76.4			76.6			76.7	76.6
956			77.3			78.1			78.8			80.5	78.4
957			81.0			81.3			81.8			82.6	81.5
958			83.9			84.8			85.0			84.7	84.5
959			85.5			85.8			86.6			87.3	86.1
960			87.1			87.6			88.1			88.7	87.8
961			88.6			88.6			89.3			89.5	88.9
962			90.2			90.3			90.3			90.6	90.3
963			91.1			91.5			91.8			92.4	91.5
964			92.4			92.9			93.3			93.8	92.9
965			94.3			95.0			94.7			95.5	94.7
966			96.6			96.8			97.8			98.5	97.1
967			98.4			99.5			101.2			101.9	100.0
968			103.1			104.4			105.5			106.5	104.5
969			108.3			109.9			111.6			113.0	110.2
970			114.4			115.5			116.7			118.5	115.8
971			119.1			119.9			120.7			121.6	120.1
972			122.7			124.1			125.6			126.3	124.3
973			128.7			130.7			134.5			135.2	131.5
974			139.2			143.8			148.1			152.1	144.4
975			156.0			158.6			161.5			164.2	159.1
976			165.5			166.9			169.9			172.3	168.0
977			176.0			180.7			184.0			187.3	180.8
978		189.2		192.8		199.3		204.7		203.2		200.8	197.8
979		203.9		208.8		212.5		218.3		221.5		230.2	214.6
980		240.7		243.5		248.0		251.0		251.9		254.9	247.3
981		260.5		270.3		274.0		287.9		297.0		294.0	279.0
982													
983													
984													
985													

Marc

MEM

TO:

THRO

FRO

SUB

W
it wo
the i
perm
mark
follo

A

1.

2.

S
furth
imple

I. A

1.
2.

3.
4.

II. W

1.

2.

March 9, 1982

MEMORANDUM

TO: Members of the San Francisco City and County Employees' Retirement System Board

THROUGH: Daniel Mattrocce, General Manager
George B. Springman, Chief Investment Officer

FROM: Jack E. Stoufer, Asst. Chief of Investments

SUBJECT: Recommendation with respect to investment management of the portfolio

With the advent of the resignation of the Chief Investment Officer we think it would be prudent to implement an investment strategy that would augment the internal staff's operation, which for the time being, is void of three full time permanent professional positions. Considering the inter-dynamics of the marketplace with regard to the employment of investment personnel the following recommendations would alleviate that problem to a large degree.

At this time it would be our recommendation to:

1. Retain outside investment management firm or firms for the express function of:

   a. Managing the common stock portion of the portfolio.
   b. Advise the Retirement Board and investment staff with respect to overall investment policy and asset allocation.

2. Select an investment manager or managers in an orderly and timely fashion.

Should the Retirement Board adopt the above recommendation, we would further respectfully recommend that the following procedures and timetable be implemented.

I. Attached for the Board Members consideration is the following:

1. Proposed criteria for selection of Investment Manager
2. List of San Francisco firms which are believed to meet the proposed criteria.
3. Draft of proposed investment manager questionnaire.
4. Draft of proposed invitation and transmittal letter to investment manager firms.

II. We are suggesting the following chronology of events:

1. March 9, 1982 Retirement Board consider, modify and/or approve items listed in Section I above.
2. March 10 deliver questionnaire and attachments to prospective investment management firms.

3.

4.

5.

6.

7.

It
will, in
highest
Retire
necess
investr
future.

JES:sh

3. March 31 completed questionnaires due from investment management firms.
4. April 2 deliver completed questionnaires to individual Board Members.
5. April 13 Retirement Board discussion of responses and the selection of those firms which the Board Members wish to interview.
6. April 27 interviews before the Retirement Board. Selection of investment management firm or firms by the Retirement Board.
7. May 1, 1982 beginning date of investment management contract.

It is the investment staff's judgement that the foregoing recommendations will, in effect, provide the necessary investment expertise in order to insure the highest degree of prudence and safety for the continued implementation of the Retirement Board's investment policies; and at the same time, provide the necessary flexibility to alter or expand the amount and type of professional investment imputs the Retirement Board may so desire at any time in the future.

Respectfully submitted,

Jack E. Stoufer
Assistant Chief of Investments

JES:sh

1. B
$

2. P
m
re
in
ti

3. O

4. P

a.

b.

c.

d.

e.

CRITERIA FOR SELECTION OF INVESTMENT MANAGER

1. Investment Management firm must have under management at least $1,000,000,000.

2. Prospective Investment Manager must have and maintain an investment management operation in the City and County of San Francisco. The rationale for this requirement is predicated on the anticipated frequent inter-working relationship between the Investment Manager and the Retirement System.

3. One and possibly two Investment Managers will be selected.

4. Prospective Investment Manager should possess the following qualities:

   a. Investment counseling and asset management should be a primary function of the organization;

   b. Enjoy a national reputation in the area of investment counseling and asset management;

   c. Maintain large and strong in-house analytical staff concentrating on extensive primary analysis of major industries and investment quality companies within respective industries;

   d. Demonstrate quality of personnel and soundness of investment decision making process;

   e. Must be broad-based investment firm with considerable expertise in area of investment counseling encompassing common stocks, bonds, and interest rate oriented economic research capability.

LIST OF

1. A
2. B
3. B
4. C
5. C
6. D
7. E
8. M
9. L
10. R
11. S
12. W

LIST OF SAN FRANCISCO FIRMS WHO POSSIBLY MAY MEET THE CRITERIA SET FORTH IN MEMORANDUM DATED MARCH 9, 1982.

1. Alliance Capital Management Corporation
2. BA Investment Management Corporation
3. Bank of California
4. Citicorp
5. Crocker Investment Management Corporation
6. Dodge & Cox, Incorporated
7. Eaton & Howard, Incorporated
8. MH/Edie Management
9. Loomis, Sayles, Incorporated
10. Rosenberg Capital Management
11. Scudder, Stevens & Clark, Incorporated
12. Wells Fargo Bank

SAN F
QU

1. P
i

a
b
c
d
e

2. I
D

2a. I
n
r

3. H
c

4. H
w

5. H
D
w
C

6. H

7. H
t

a
b
c
d
e

8. H
i

9. W
C

a
b

c
c
e
f

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
QUESTIONNAIRE TO BE SUBMITTED BY 5:00 pm. MARCH 31, 1982

1. Please furnish a brief history of your organization including the following information:

   a. Year organized
   b. Structure of operation
   c. Form of ownership
   d. Affiliated companies and relationship
   e. Any other relationships

2. List number of accounts by size and type currently managed by your firm. If possible, state performance results over last five years.

2a. If San Francisco is not your main office please describe your investment management capabilities domiciled in your San Francisco office with respect to personal and assets under management.

3. How many new accounts were acquired in each of the past three years to date and what is their asset size?

4. How many accounts were lost in each of the past three years to date and what was their asset size?

5. Briefly detail the growth of your professional staff over last three years. Include the amount of staff turnover and the present staff structure. (It would be helpful if brief biographies of staff would be provided.) Comment on any anticipated changes.

6. Please outline the operating and investment philosophy of your firm.

7. How have you reconciled any potential conflicts of interest with regard to the following:

   a. Board directorship
   b. Mutual funds
   c. Individual accounts vs. institutional accounts
   d. Own pension fund
   e. Any other

8. Briefly describe your investment style and strategy. How is this investment strategy formulated and implemented?

9. Within the area of investment research, please answer the following questions:

   a. How is your research function organized?
   b. How many full time analysts? Do they have fixed or floating assignments?
   c. How many industries and issues are followed on a continuous basis?
   d. How are holdings monitored?
   e. How is a security added or deleted from you list?
   f. How many company visits are made each year? By whom?

10.

11.

12.

10. Please state your capabilities and experience in management of a stock option overwrite portfolio.

11. Please indicate your fixed fee for:

    a. Managing the common stock portion of the portfolio.
    b. Advise the Retirement Board and investment staff on overall investment policy and asset allocations. Base your response on an equity portfolio of approximately $200 million and $400 million.

12. Please state the nature and extent of services which your firm can provide to the Retirement System and the time availability of your staff.

Dear

C
Employe
manage
System
million.

T
functio
counsel

S
System

E
contrac

S
Retirem
copies

S
undersig

JES:sh

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT DIVISION
770 Golden Gate Avenue
San Francisco, California 94102

March 10, 1982

Dear

Currently, the Retirement Board of the San Francisco City and County Employees' Retirement System is interested in retaining one or more investment management firms to assume the management functions of the Retirement System's equity portfolio. The approximate market value of equities is $350 million.

The duties and responsibilities of the selected organization(s) will be those functions which are the norm in the profession. Additionally we will desire counsel and advise on overall investment policy and asset allocation.

Security clearance will be the duty of the Retirement System through the System's custodian, Crocker National Bank.

Enclosed is a list of the minimum criteria for the selections process. The contract will be on a fixed fee basis.

Should your firm wish to be considered for an interview with the Retirement Board, kindly complete the enclosed questionnaire and return nine copies to our office no later than 5:00 p.m. Wednesday, March 31, 1982.

Should you have any questions in the meantime, plese contact the undersigned.

Very truly yours

Jack E. Stoufer
Assistant Chief of Investments

JES:sh

PRES

ABSE

MINUT

-SF

RETIREMENT BOARD

Minutes

REGULAR MEETING

MARCH 30, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
ABSENT	Raymond L. Weisberg, M.D.	Commissioner
	John L. Molinari	President, Board of Supervisors

MINUTES Regular Meeting, March 9, 1982

ACTION: Approved

T

ITEM

a)

b)

c)

d)

e)

f)

g)

h)

i)

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 19-81 AND NO. 20-81.

b) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY

Michael Gallagher

c) REQUEST TO CHANGE BIRTHDATE: Priscilla Shelton

From 9/12/1922 to 9/12/1919

d) REQUEST TO CHANGE BIRTHDATE: Rose B. Cyprian

From 6/9/1923 to 6/9/1921

e) W.C.A.B. - Compromise and Release

Joyce Chapman - $ 2,609.03

f) W.C.A.B. - Compromise and Release

Theodore R. Steffens - $ 500.00

g) SETTLEMENT OF DISPUTED CLAIM - Subrogation

Michael Green - $ 1,500.00

h) MEDICAL BILLS AND REPORTERS' SERVICES - $ 1,324.00

ACTION: On motion by Bruschera, seconded by DeMerritt, Consent Calendar approved, 5-0.

REGULAR CALENDAR

1) REQUEST TO WAIVE STATUTE OF LIMITATIONS RE ADJUSTMENT OF RETIREMENT ALLOWANCE:

Mabel T. Nevin (continued on next page)

ACTION: A motion was made by Bruschera, seconded by DeMerritt, to waive the statute of limitations and to provide Mabel T. Nevin an adjustment of her survivor retirement allowance, retroactive to December 1972; motion passed, 5-0

2) REQUEST TO WAIVE STATUTE OF LIMITATIONS RE ADJUSTMENT OF RETIREMENT ALLOWANCE:

Vincent J. Courtney, Sr.

ACTION: A motion was made by Bruschera, seconded by DeMerritt, to waive the statute of limitations and to provide Vincent J. Courtney, Sr. an adjustment of his retirement allowance, retroactive to June 1966; motion passed, 5-0.

3) W.C.A.B. RATING ADJUSTMENT:

James T. Moore - 70% to 84½%

ACTION: By ballot vote, the Board unanimously approved the W.C.A.B. rating adjustment from 70% to 84½%.

4) RESOLUTION OF COMMENDATION:

George B. Springman

ACTION: On motion by Bruschera, seconded by Stanley, a resolution commending the services of George B. Springman, Chief Investment Officer, on the occasion of his resignation from City Service, was approved unanimously by the Board (copy attached to these minutes.)

5) W.C.A.B. SETTLEMENT - Compromise and Release:

Elizabeth Quintara - $ 1,250.00

ACTION: On motion by Stanley, seconded by Denning, settlement was approved, 5-0.

President Ashe introduced Ms. Sue Mulloy, a representative of the Public Pension Investment Project.

INVESTMENT CALENDAR

1) PROXY VOTE:

The Board took action on the following shareholder and company proposals:

American Telephone and Telegraph

Shareholder Proposals		For	Against
I.	Disclose Consultant's fees.	0	5
II.	Committee on Sandia National Laboratories	5	0
III.	Pension Fund.	3	2
IV.	Report on Political Action Committee.	5	0

International Business Machines

Company Proposal			
I.	Eliminate pre-emptive rights.	0	5
Shareholder Proposals			
I.	Report fees paid to Consultants.	3	2
II.	South Africa.	5	0

Honeywell, Inc.

Shareholder Proposal			
I.	MX Missile	4	1

Time, Incorporated

Shareholder Proposal			
I.	Expanded post-annual meeting report.	5	0

2) PROGRESS REPORT RE INVESTMENT MANAGER SELECTION PROCESS.

Jack Stoufer, Acting Chief Investment Officer, submitted a written report (see attached) to the Board on the status of the Investment Manager selection process. Mr. Stoufer suggested that May 11, 1982, be set as the Board's next Quarterly Investment Meeting.

GENERAL MANAGER'S REPORT

The General Manager reported on the following matters:

1. That the study of the Retirement System's accounting system is near completion and will be reported to the Board in April 1982.

2. That he had met with representatives of the Governor's Office who are seeking input with respect to public pension plans establishing loans for small businesses.

3. That he will furnish the Board a list of 1982 conferences and seminars from which the Board may wish to consider attending.

4. That Edward H. Friend & Company had extended an invitation to a Conference On The Design Restructure Of Public Pension In An Era of Financial Distress, to be held in Washington, D.C. on May 13, 14, and 15, 1982. On motion by Bruschera, seconded by Demerritt, the Board authorized staff attendance at the Conference, 5-0.

BOARD MEMBERS

President Ashe informed the Board that he and the General Manager will meet with personnel of the Mayor's Office on March 31st regarding fiscal and related matters.

President Ashe distributed to Board Members copies of several newspaper and magazine articles on pension and retirement issues.

There being no further business, the Board adjourned its meeting at 12:10 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

March 30, 19

RESOLUTION

WHEREAS, George B. Springman, Chief Investment Officer, has tendered his resignation from City Service, effective March 15, 1982, and

WHEREAS, George B. Springman has been the Chief Investment Officer of the Retirement System since November 1970, during which time he has very successfully managed and directed an extensive and comprehensive investment program, the assets of which currently exceed one billion dollars, and

WHEREAS, George B. Springman has consistently displayed those unique qualities inherent in a dedicated public servant, i.e., faithful, loyal and devoted service; a keen and perceptive appreciation of the art of government; and diligence and application toward the achievement of established goals and objectives; and

WHEREAS, George B. Springman, during his tenure as Chief Investment Officer, compiled a distinguished list of personal achievements and recognitions, including the acquisition of a Masters Degree in Business Administration from St. Mary's College, membership in the Security Analysts of San Francisco and in the Institute of Chartered Financial Analysts, and appointment as a member of the Contra Costa County Employees' Retirement Board, serving as Vice Chairman of said Board, and

WHEREAS, George B. Springman will now pursue his career objectives in private employment as a Senior Vice President, Crocker Investment Management Corporation, NOW

THEREFORE, BE IT RESOLVED, that the Members of the Retirement Board of the City and County of San Francisco, together with the General Manager and Staff of the Retirement System, congratulate George B. Springman on the occasion of his appointment as Senior Vice President, and

BE IT FURTHER RESOLVED, that said Members of the Retirement Board and said General Manager and Staff of the Retirement System extend their sincere appreciation and gratitude to George B. Springman for his many years of distinguished, outstanding and invaluable service to the Retirement System and to the City and County of San Francisco, and do herewith extend to George B. Springman every good wish for success, happiness and personal satisfaction in his new position.

This resolution was presented to and adopted by the Retirement Board on the 30th day of March in the year One Thousand Nine Hundred and Eighty Two.

PETER D. ASHE
President

DANIEL MATTROCCE
General Manager

MEMORANDUM

March 26, 1982

To: Members of the San Francisco City and County Employees' Retirement System Board

Through: Daniel Mattrocce, General Manager

From: Jack E. Stoufer, Acting Chief Investment Officer

Subject: Investment Management Selection Process

An invitation letter with accompanying criteria and questionnaire was hand delivered on March 10, 1982, to the twelve firms suggested by the Investment staff in the memorandum of March 9, 1982.

Rosenberg Capital Management has thanked us for the invitation but wishes not to participate.

Leylegion Investment Management and Security Pacific Bank, requested and received the invitation material.

Recently, the Retirement Board discussed receiving proposals from other performance measurement firms to be considered in addition to those services provided by Callen Associates Inc. It is the staff's recommendation that this process be postponed until sometime after the Investment Manager selection has been completed.

The Board may wish to separate the performance records of the in-house equity management from that of the prospective outside management. Callen Associates has advised us that this is possible if we provide them with the market value of equities at April 30, 1982. We will proceed on this basis unless the Board Members object.

The quarterly investment meeting before the Retirement Board would normally be held on April 27. Under the present schedule, that is the date the Board is to interview the final candidates for Investment Manager. It is, therefore, suggested that the quarterly meeting be held on May 11, at which time the selected manager(s) can make an initial presentation and recommendation. We would also be prepared to discuss the fixed income portfolio at that time.

The internal staff has been remiss in providing the Board Members with the transaction reports and the investment rationale on a weekly basis. We would suggest that, in the future, these reports be provided on a monthly basis rather than weekly.

Perhaps it would be wise for the Board Members to begin to ponder some of the questions that will require Retirement Board policy statements during the Investment Management selection process. The most appropriate time for discussion would be the April 13th meeting, at which time we will be analyzing the responses to the questionnaire. The responses may be helpful as a guide to the most prudent solutions.

Early on we must determine how many Managers the Board wishes to employ. The types of service that will be provided and a cost/benefit analysis of multiple managers may help to solve this problem.

The distinction between advisor and manager is more than semantics in the realm of investments. For example, in 1974 the Board retained Crocker Investment Management Corporation as an advisor, wherein the internal staff and CIMCO agreed on a transation, the internal staff then executed the order. A manager, not only selects the securities but additionally enters the order with the broker. The manager concept is the one which is most prevalent today for several very good reasons. Most managers feel they need the control over execution as a means of enhancing their performance. Also if they have some latitude in selecting brokers they are able to "buy" research with commission dollars. The Retirement System would be able to generate Wall Street research through our in-house bond transactions and require the chosen manager(s) to direct some commission business to certain brokers to pay for our soft dollar commitments for services, such as Callen Associates performance measurement. Several of the prospective firms we are soliciting have indicated that they were not very interested in solely an advisory capacity. It is our recommendation that the manager(s) be given the opportunity to execute their orders with the understanding that a portion of the commission be directed as we may request.

The Board Members may wish to discuss with the firms to be interviewed the methods to be employed in selecting stocks which can be purchased in the future. A Board Approved List of securities which the manager(s) recommend may be the most practical approach.

Should more than one manager be selected a method of dividing the current portfolio must be determined.

The above discussion of questions and possible answers is certainly not all inclusive but is provided only as a starting point for your consideration.

Respectfully submitted,

Jack E. Stoufer
Acting Chief Investment Officer

RETIREMENT BOARD

REGULAR MEETING

APRIL 13, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	John L. Molinari	President, Board of Supervisors

MINUTES Regular Meeting, March 30, 1982

ACTION: Approved

ITEM

a)

b)

c)

d)

e)

f)

g)

ACTI

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 21-81.

b) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Charles J. Radford

c) REQUEST TO CHANGE BIRTHDATE: Francis J. Murphy

From May 15, 1923 to May 15, 1922

d) W. C.A.B. - Compromise & Release

Michael Bryant - $1,000.00

e) W.C.A.B. - Compromise & Release

Mabel Lewis - $1,602.50

f) REQUEST FROM STAFF TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT AND DETERMINATION

Robert E. Pursley

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Percy W. Jones

ACTION: On motion by Stanley, seconded by Bruschera, Consent Calendar approved, 6-0 (Supervisor Molinari not present)

REGULAR CALENDAR

ITEM

1) REQUEST FROM DEPARTMENT OF SOCIAL SERVICES TO ENTER INTO AGREEMENT WITH STATE COMPENSATION INSURANCE FUND REGARDING WORKERS' COMPENSATION INSURANCE COVERAGE FOR GENERAL ASSISTANCE RECIPIENTS.

Judy Schutzman, representing the Department of Social Services, requested that the Board allow the Department to enter into an agreement with the California State Compensation Insurance Fund to provide workers compensation coverage for general assistance recipients who will be employed by the City and County under limited working conditions.

ACTION: It was moved by Denning, seconded by Weisberg, that the Retirement Board authorizes the Department of Social Services to contract with the California State Compensation Insurance Fund to provide workers compensation insurance coverage for general assistance recipients who are employed by the City and County; motion passed, 6-0 (Molinari not present)

2) DETERMINATION OF HEARING OFFICER JURISDICTION REGARDING STAFF REQUEST THAT DISABILITY RETIREMENT ALLOWANCE OF TERRANCE RYAN CEASE.

Mr. Maguire, Legal Counsel, advised the Board of the circumstances involved in the matter of recommending that Terrance Ryan's disability retirement allowance cease. Following a discussion of the recommendation, the Board took the following action.

ACTION: It was moved by Weisberg, seconded by Stanley, to refer the recommendation to cease Terrance Ryan's disability retirement allowance to the Hearing Officer for determination; motion passed, 7-0.

3) HEARING OFFICER DECISIONS:

a) BAGGETTA, Jr., Joseph
Fire - Captain
Industrial Disability Retirement
Effective Date - October 1, 1981 GRANTED

b) BERNARD, John E.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - January 13, 1982 GRANTED

c) BODISCO, Richard G.
Police - Police Officer
Industrial Disability Retirement
Effective Date - February 24, 1982 GRANTED

d) DANIELS, Dennis
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - June 1, 1981 GRANTED

e) KENNEDY, Joyce R. (widow of Frank J.)
Police - Inspector
Death Allowance
Effective Date - July 30, 1981 GRANTED

f) OGDEN, Melvin C.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date -June 10, 1981 GRANTED

g) PIERRE, Joseph J.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - May 16, 1981 GRANTED

h) STOKES, James L.
Police - Police Officer
Determination and Reimbursement of Medical Expenses GRANTED

i) WHITE, James E.
Police - Inspector
Determination GRANTED

j) WILLIAMS, Harry L.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - May 1, 1981 GRANTED

Mr. Maguire, Legal Counsel, informed the Board that he had filed a Petition for Rehearing of the decision concerning James E. White, (i, above)

ACTION: It was moved by Bruschera, seconded by Stanley, to accept the Hearing Officer decisions; motion passed, 7-0.

4) CLOSED SESSION

At this point, the Board went into closed session to consider a claims settlement case with the possibility of undertaking legal action. Prior to taking final action on the case, the Board directed Legal Counsel to negotiate a resolution of the claim and to report back to the Board in 45 days.

GENERAL MANAGER'S REPORT

1. RESOLUTION REGARDING ANNUAL CONSULTATIONS WITH FINANCIAL ANALYSTS, INVESTMENT BANKERS, ECONOMISTS, ETC.

The General Manager presented a resolution, herewith attached to these minutes, to provide annual visits to New York City for investment counselling purposes.

ACTION: It was moved by Molinari, seconded by Weisberg, to adopt the resolution, as amended; motion passed, 7-0.

Mr. Molinari left the meeting at this point.

2. REPORT REGARDING FRANCISCAN TREATMENT ROOM:

The General Manager rendered an oral and written report on the relocation of the Franciscan Treatment Room. Following a question and answer period, the Board suggested that the General Manager direct a letter to the St. Francis Hospital regarding recent information received on alledged hospital management problems, that said problems will not adversely affect the Retirement System or its members.

Doctor Weisberg left at this point in the meeting.

The General Manager informed the Board of new information received from the Gates-McDonald Company regarding contracting out workers compensation claims processing. Mr. Mattrocce stated that the matter will be calendared for Board information and consideration at a later meeting.

BOARD MEMBERS

1. ATTENDANCE AT CONFERENCES, INSTITUTES AND WORKSHOPS.

The Board was given a schedule of meetings, conferences, institutes and workshops during 1982. Board Members are to select preferences for attendance at the various conferences, institutes, etc., and to so notify the General Manager.

INVESTMENTS CALENDAR

1. REVIEW AND DISCUSSION OF RESPONSES FROM PROSPECTIVE INVESTMENT MANAGEMENT FIRMS

Jack Stoufer, Acting Chief Investment Officer, rendered an oral and written report to the Board on the status of applicants who responded to a questionnaire on investment management. (Memorandum dated April 9, 1982, herewith attached to these Minutes)

Following considerable discussion of the report and recommendations contained therein, the Board took the following actions:

It was moved by Denning, seconded by Stanley, that the Staff's recommendation to interview five (5) firms be approved, motion passed, 4-1 (Ashe dissenting)

It was moved by Stanley, seconded by DeMerritt to add Alliance Capital Management and Eaton & Howard, Vance Sanders, Inc. to list for interview; motion passed, 5-0.

It was moved by Denning, seconded by Stanley, that Board interviews be limited to the seven (7) firms, as specified by prior motions of the Board; motion passed, 5-0.

The Board, by consensus, determined that April 20, 1982 and April 27, 1982, would be set aside for interviews of the applicants for Investment Manager, and that, on the basis of a drawing, the following will constitute the interview schedule:

APRIL 20, 1982

FIRM	TIME
Alliance Capital Management Corporation	9:00 A. M.
Crocker Investment Management Corporation	9:45 A. M.
Eaton & Howard, Vance Sanders, Inc.	10:30 A. M.
Wells Fargo Investment Advisors	11:15 A. M.

APRIL 27, 1982

FIRM	TIME
MH/Edie Investment Counsel	1:15 P. M.
Loomis, Sayles & Company	2:00 P. M.
Western Asset Management Corporation	2:45 P. M.

2. PROXY VOTE

The Board took action on the following shareholder proposals:

Atlantic Richfield Corporation

	FOR	AGAINST
1. Plant Closings	4	1
2. Company Investments in Chile	5	0
3. Transactions with Peoples Republic of China	0	5
4. Holding Annual Meetings in Pennsylvania	0	5
5. Circulate Annual Meeting	0	5

BankAmerica

	FOR	AGAINST
1. Reporting on Loans to South Africa	5	0

Georgia-Pacific Corporation

	FOR	AGAINST
1. Increasing Charitable Contributions	1	4

Union Carbide

	FOR	AGAINST
1. Making available list of Charitable Contributions to Stockholders	5	0

Wells Fargo

	FOR	AGAINST
1. Loans to Chile	5	0
2. Loans to South Africa	5	0

April 13, 1982

There being no further business, the

Board adjourned its meeting at 4:20 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

April 13, 1982

R E S O L U T I O N

WHEREAS, the investment portfolio of the Retirement System is a comprehensive, diverse portfolio, consisting of investments in bonds, equities, commercial real estate and short-term instruments, and

WHEREAS, it is important and essential that the Retirement Board be fully and continuously apprised of current and projected conditions affecting the portfolio and the money market, NOW

THREFORE, BE IT RESOLVED, that appropriate staff and/or Board Members are authorized to consult with brokerage firms, investment bankers, economists, financial analysts, actuaries and research firms in New York City twice annually, and

BE IT FURTHER RESOLVED, that staff shall, following each visit to New York City, inform the Board of the results of each visit which, when applicable, will be used to assist the Board in making decisions relative to the investment of retirement funds.

This resolution was adopted by the Retirement Board on April 13, 1982.

PETER D. ASHE
President

DANIEL MATTROCCE
General Manager

April 9, 1982

MEMORANDUM

To: Members of the San Francisco City and County Employees' Retirement System Board

Through: Daniel Mattrocce, General Manager

From: Jack E. Stoufer, Acting Chief of Investments

Subject: Staff Analysis of Investment Managers' Responses.

The Investment staff, in its attempt to lessen the burden on the Retirement Board Members' time, and to hopefully facilitate their decision, is enclosing several schedules and analyses from different approaches.

Responses to question numbers 2, 3, 4, 5, and 11, are numerical in nature and, therefore, lend themselves to statistical ranking and weighting procedures Schedule I is the portrayal of this system for each respondent and their "score" for each of the questions.

The next to last Column is their "score" with ranking number to the left of the parenthesis. This "score" number is then weighted by staff judgement as to the importance of the question. A low "score" is a better "score". (Please see footnote on Schedule I for ranking and weighting procedure.)

Schedule II is the listing by rank of the 12 firms. Please be aware that this is only one approach and attempts to measure only a portion of the questionnaire.

We are also enclosing an abbreviated questionnaire response and very abbreviated answers. By company, the abbreviated questionnaire by each of the respondents, you are able to get a capsule view. This approach is not intended to be a substitute for the study of the complete response provided by the investment management firms. We have provided space for marginal notes if you desire to do so.

You will note that several of the respondents in answering Questions 6 and 8, have referred to "top-down" or "bottom-up. Top-down simply means that their approach to selecting securities for either purchase or sale begins with an assessment of the overall economy (macro-economics). From these results they then move down to favorable/unfavorable industries and, from there, to selecting individual stocks. The opposite procedure is "bottom-up" where a fundamental analysis of an individual stock is then measured against its industry sector and finally the economic outlook. In actual practice both systems are usually applied so that it is the starting point which determines the top-down or bottom-up procedure.

In the final analysis of determination of the best managers for the Retirement Sytem's equity portfolio, the more subjective questions (6, 8 and 9) are probably the more meaningful.

Question 7, on Conflicts of Interest is a very important problem for each of the managers. They all, therefore, go to greath lengths to instill internal procedures to minimize this concern. Witness the long disertation in the cover of the Bank

of California's folder and the separate booklet from Wells Fargo.

Question 12, on services to be provided, all responses, except Citicorp, state that they will provide the level of service we require under their quoted fee amount.

It would, in our view, be impractical to invite all twelve managers to interview before the Retirement Board. The staff is, therefore, recommending that the following firms be eliminated for the reasons cited:

ALLIANCE CAPITAL MANAGEMENT

Apparently only interest in approximately one-half of the portfolio. Too many clients per portfolio manager.

BA INVESTMENT MANAGEMENT

Past Retirement System experience with this firm was not good (inferior analytical analysis) and their past and present performance has not been good.

BANK OF CALIFORNIA

A division of their Trust Department, rather than independent judgement for large institutional accounts. Very small staff of three portfolio managers for $1.7 Billion assets.

CITICORP INVESTMENT MANAGEMENT

Too few portfolio managers for asset size. Large turnover in professional staff. They do not offer option service.

DODGE AND COX

Past experience with Retirement System was not favorable. Lost more accounts and assets under management in last three years than they gained. Has no option marketing facility. Fee appears high in relation to other managers.

EATON & HOWARD, VANCE SANDERS, INC.

Heavy mutual fund involvement causes concern as to emphasis of investment strategy (more individual account orientation than institutional). Note 83 institutional accounts of only $285 Million. Heavy account load per professional employee. Only a minor role in options.

SCUDDER, STEVENS & CLARK

Past Retirement System experience is poor in regard to performance and communicative skills. Large number of accounts in San Francisco Office for local staff to effectively manage.

Recommended firms for the Retirement Board's consideration for interviews, and the more important reasons for staff's selection, are as follows:

CROCKER INVESTMENT MANAGEMENT CORP - (CIMCO)

Past experience with the Retirement Board and System during period that CIMCO was an advisor. Highly professional and cooperative. George B. Springman will be assigned this account and no one else has had his intimate knowledge and understanding of our operations. Mr. Springman's equity performance has been excellent. All of their investment analysis groups are in San Francisco and make themselves available to both Board and staff. Portfolio Managers select stocks rather than a committee. Has ongoing option program.

LOOMIS, SAYLES & COMPANY

Large (8) staff in San Francisco, capable of managing assets. More accounts and assets both nationally and in San Francisco, acquired than lost. Value oriented approach with portfolio managers making stock selections. Anticipates changes rather than reacting to them. Large professional staff following a more restricted list of qualified securities.

MH/EDIE INVESTMENT COUNSEL

Small account load per portfolio manager. Major net increase in accounts and assets acquired during the past three years. Capital market approach to asset allocation. Within stock selection criteria uses a balanced account concept. Experienced in option transactions.

WELLS FARGO INVESTMENT ADVISORS

Large staff in San Francisco headquarters. Net positive gain in last three years of accounts and, particularly assets. Increasing professional staff as client and asset load increases. One of the first, if not the first, to apply advanced computer investment theory, which may or may not be advantageous to the Retirement System. Has option capability.

WESTERN ASSET MANAGEMENT

Good relationship of portfolio managers to account and asset sizes. Appears to have an excellent approach to security analysis and stock selection within client's parameters. They do not, however, have an option capability.

If the Retirement Board wishes to interview only four firms, the Investment Staff would recommend that Western Asset Management be excluded.

SUMMARY AND CONCLUSION

We have attempted to provide the Board of Trustees with what, we hope, is a sense of direction. We have used a statistical (Schedules I and II) approach and a more subjective approach. The same firms do not always rank the same way under different assessments. Our opinion is that the subjective is the more useful and valuable.

There is some merit to interviewing and possibly selecting, if more than one manager is desired, bank subsidiary managers and the more independent counselors. This would likely produce two entirely different types of securities in the portfolio with diverse, but not necessarily adverse, performance results.

Respectfully submitted

JACK E. STOUFER
Acting Chief Investment Officer

JES:kg

RETIREMENT BOARD

REGULAR MEETING

APRIL 20, 1982 9:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Warren DeMerritt	Commissioner
	John L. Molinari	President, Board of Supervisors

1. I

c
t
s
a
t

d

NOTE:

INVESTMENT CALENDAR

1. INVESTMENT MANAGER PRESENTATIONS

The Retirement Board meeting on this date was confined exclusively to interviewing four firms who had responded to a Retirement System questionnaire concerning interest in being selected as Investment Manager for the Retirement System. There are seven firms in total to be interviewed by the Board, four on this date and three on April 27, 1982.

The following firms made presentations to the Board on this date:

a) Alliance Capital Management Corporation

b) Crocker Investment Management Corporation (CIMCO)

c) Eaton & Howard, Vance Sanders Inc.

d) Wells Fargo Investment Advisors

There being no further business, the

Board adjourned its meeting at 12:50 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

April 20, 1982

PRES

ABST

MINU

-SF

RETIREMENT BOARD

Minutes

REGULAR MEETING

APRIL 27, 1982 9:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	John L. Molinari	President, Board of Supervisors

MINUTES Regular Meeting, April 13, 1913, 1982

Regular Meeting, April 20, 1982

ACTION: Approved

a)

b)

c)

d)

e)

f)

g)

h)

i)

j)

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

a) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT
Issac N. Duncan, Sr.

b) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT
John P. Lippett

c) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT
Lillian M. Swift

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation
Lee R. Clark - $2,129.88

e) SETTLEMENT OF DISPUTED CLAIM - Subrogation
Daisy Crawford - $10,500.00

f) SETTLEMENT OF DISPUTED CLAIM - Subrogation
Alvin J. White - $1,072.00

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
Hope N. Corey

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
Patricia Cowan

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN
Ella Wilson

j) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT
Donald Dittmar

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Sammy L. Boykins

Item c), above, was ordered withdrawn from the Consent Calendar and referred back to staff for further determination.

It was moved by Weisberg, seconded by Denning to approve the Consent Calendar except Item c); motion passed, 6-0.

REGULAR CALENDAR

1) PRESENTATION OF ACTUARIAL VALUATION REPORT:

Milliman and Robertson, Consulting Actuaries

Mr. William Smith, Consulting Actuary, presented a written and oral report to the Board on findings and conclusions relative to an actuarial valuation of the Retirement System. Mr. Smith, Clare Murphy, Assistant Actuary, and the Board reviewed and discussed the various elements of the actuarial valuation study with the Board.

Mr. Smith informed the Board that, as of June 30, 1981, the Contingency Reserve Fund amounted to $83,707,000 and that said sum was in excess of Administrative Code and Charter requirements which establish that 2% of the Trust Fund be reserved against adverse mortality and that any excess over the 2% requirement be utilized to fund the 2% cost-of-living benefit. Mr. Smith recommended that the Board allocate the excess funds to the Cost-of-Living Fund as provided by Charter Section 8.526. On the basis of Mr. Smith's recommendation, the Board took the following action:

> It was moved by Weisberg, seconded by Bruschera, that, in accordance with Charter Section 8.526 and Section 16.37-1 of the Administrative Code, $58,832,000.00 be transferred from the Contingency Reserve Fund to the Cost-of-Living Benefit Fund; Motion passed, 6-0.

NOTE: Consulting Actuary to submit final actuarial valuation report on May 25, 1982.

2) DETERMINATION OF RATES OF CONTRIBUTION FOR FISCAL YEAR 1982-83:

Mr. William Smith, Consulting Actuary, presented written data to the Board relative to proposed and recommended rates of contribution to the Retirement System by the City and County of San Francisco and members of the System. Following a review and discussion of the Consulting Actuary's recommendations, the Board took the following actions:

a) It was moved by Weisberg, seconded by Stanley, that the following shall be rates of contribution to the Retirement System by the City and County of San Francisco, the San Francisco Unified School District, and the San Francisco Community College, effective July 1, 1982.

Uniformed Police Employees:	92.50%
Uniformed Fire Employees:	91.00%
Miscellaneous Employees:	17.00%

Motion passed, 6-0

b) It was moved by Weisberg, seconded by Denning that rates of contribution by Miscellaneous Employee members under Charter Section 8.509 shall be based on an assumed "interest rate/salary scale" factor of 9%/8½%, effective July 1, 1982; motion passed, 6-0.

NOTE: Final complete list of member rates of contribution to be submitted May 11, 1982.

c) It was moved by Weisberg, seconded by DeMerritt, that the accumulated interest earning rate for members of the System, effective July 1, 1982, shall remain at the current rate of 6%; motion passed.

3) HEARING OFFICER DECISIONS

a) CHAMPLAIN, Patricia
Tax Collector - Account Clerk
Ordinary Disability Retirement
Effective Date - May 1, 1981 GRANTED

b) CHIN, Dick Y.
Laguna Honda Hospital - Sr Laundry Worker
Ordinary Disability Retirement
Effective Date - August 1, 1981 GRANTED

c) FLYNN, Edward A.
Fire - Marine Engineer
Determination — DENIED

d) GROSWIRD, William C.
Police - Lieutenant
Determination — GRANTED

e) HARRIS, Joy S.
Municipal Court - Deputy Clerk
Ordinary Disability Retirement
Effective Date - September 1, 1981 — GRANTED

f) HUGHES, Stanley T.
Fire - Lieutenant
Industrial Disability Retirement
Effective Date - February 4, 1980 — DENIED

g) MOORE, William R.
Municipal Railway - Transit Operator
Ordinary Disability Retirement
Effective Date - May 9, 1981 — DENIED

h) OLIVIER, Roumay, Jr.
Municipal Railway - Transit Operator
Ordinary Disability Retirement
Effective Date - August 1, 1981 — GRANTED

i) PAULSEN, Jack N.
Fire - Firefighter
Industrial Disability Retirement
Effective Date - April 23, 1982 — GRANTED

j) SYLVESTRI, Louis D.
Police - Sergeant
Industrial Disability Retirement
Effective Date - April 6, 1982 — GRANTED

Item c),above, was corrected to "Denied" rather than "Granted".

It was moved by Bruschera, seconded by Stanley, to accept the Hearing Officer decisions; motion passed, 6-0.

INVESTMENTS CALENDAR

1. INVESTMENT MANAGER PRESENTATIONS:

(This item was continued from Board meeting of April 20, 1982.)

The following firms made presentations to the Board on this date:

a) MH/Edie Investment Counsel

b) Loomis, Sayles & Company

c) Western Asset Management Corporation

Following conclusion of the Investment Manager presentations, Robert F. McCullough, C.P.A., of McCullough & Andrews, Inc. was allowed to address the Board on the subject of Investment Manager selection procedures.

At this point in the meeting the Board deliberated on the selection of an Investment Manager(s). The firms under consideration for appointment were the following:

Alliance Capital Management Corporation

Crocker Investment Management Corporation (CIMCO)

Eaton & Howard, Vance Sanders Inc.

Wells Fargo Investment Advisors

MH/Edie Investment Counsel

Loomis, Sayles & Company

Western Asset Management Corporation

The Board took the following actions:

a) It was moved by Weisberg, seconded by Bruschera, that the Investment Manager(s) be allowed to exercise discretion in the performance of investment transactions; motion passed, 6-0.

b) It was moved by Bruschera, seconded by DeMerritt, that the Board favors appointment of three (3) firms. Following discussion of the motion, the maker of the motion, with consent of the seconder, withdrew the motion.

c) It was moved by Bruschera, seconded by DeMerritt, to appoint Crocker Investment Management Corporation (CIMCO) as Investment Manager; motion passed, 6-0.

d) It was moved by Weisberg, seconded by Bruschera, to appoint Eaton & Howard, Vance Sanders, Inc. as Investment Manager; motion passed, 5-1 (Stanley)

e) It was moved by Bruschera, seconded by Denning to appoint Alliance Capit Management Corporation as Investment Manager; Motion failed, 2-4 (Ashe, DeMerritt, Stanley and Weisberg)

f) It was moved by Bruschera, seconded by Denning to appoint Loomis, Sayles and Company as Investment Manager; motion passed, 6-0.

g) It was moved by Bruschera, seconded by Weisberg, that the equity fund be distributed equally among the three (3) Investment Manager firms appointed by the Board; motion passed, 4-2 (Denning and Stanley)

2. PROXY VOTE

The Board took action on the following shareholder proposal

MOBIL CORPORATION

Proposal	For	Against
Corporate Acquisitions	0	6

GENERAL MANAGER'S REPORT

The General Manager submitted a memorandum to the Board involving submission of a Personal Services contract to perform consulting services for the Workers Compensation program. The memorandum was put over to the Board's meeting of May 11, 1982.

There being no further business, the

Board adjourned its meeting at 6:20 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

April 27, 1982

RETIREMENT BOARD

REGULAR MEETING

Minutes

MAY 11, 1982 9:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	John L. Molinari	President, Board of Supervisors

MINUTES Regular Meeting, April 27, 1982

ACTION: Approved, as amended (Item 2b of Regular Calendar amended to read "interest rate/salary scale" factor of 9%/8½%.

A)

B)

C)

D)

1)

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

A) VOLUNTARY SERVICE RETIREMENT LIST, No. 22-81

B) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
E. R. Bottimore

C) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Margaret V. Thomas

D) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Gerald DeCuir

ACTION: It was moved by Denning, seconded by Stanley, to approve the Consent Calendar; motion passed, 5-0 (Bruschera and Molinari not present.)

REGULAR CALENDAR

1) PRESENTATION OF REPORT FROM PUBLIC PENSION INVESTMENT PROJECT:

Susan Mulloy, Director of the Public Pension Investment Project, submitted a written report to the Board titled, "Report On The Investment Policies and Practices of the San Francisco Employees' Retirement System". The following representatives of the Project addressed the Board: Vince Courtney, John Cronan, Patrick Mason and Tamsin Taylor.

Following the presentation and remarks by Board Members, the Retirement Board took the report under submission, with instructions to staff to calendar the report for the Board's consideration at a future meeting.

Supervisor Molinari arrived at this point in the meeting.

2) REQUEST FROM SEIU JOINT COUNCIL AND TECHNICAL AND PROFESSIONAL ENGINEERS, LOCAL 21, TO MEET AND CONFER ON DETERMINATION OF EMPLOYEE RATES OF CONTRIBUTION:

Prior to representatives of employee organizations addressing the Board on this subject, Mr. Maguire, the Board's Legal Counsel, offered the opinion that determination of rates of contribution is not subject to the "meet and confer" process. Mr. Molinari requested that Mr. Maguire obtain an official City Attorney's opinion, i.e., Is the determination of rates of contribution by the Retirement Board subject to the "meet and confer" process as set forth in the Employer-Employee Relations Ordinance and/or the Meyer-Milias-Brown Act. Mr. Maguire consented to obtain an official opinion.

Mr. Bruschera arrived at this point in the meeting.

Several employee organization representatives addressed the Board: Maura Keeley of the SEIU Joint Council; David Novogrodsky of Professional and Technical Engineers, Local 21; and Robert McDonnell of Laborers Union, Local 261. Each representative requested that the Board rescind the Board's action of April 27, 1982, adopting rates of contribution for fiscal 1982-83.

William Smith, Consulting Actuary, and Clare Murphy, Assistant Actuary, explained to the Board and the employee representatives the actuarial processes utilized in recommending the adopted rates of contribution.

Following considerable discussion of the subject, the Board took the following actions:

It was moved by Molinari, seconded by Bruschera, that the Board's action of April 27, 1982, adopting rates of contribution for fiscal 1982-83 be rescinded, and that staff consult with affected employee organizations on the determination of employee rates of contribution; motion passed, 4-3 (Denning, Stanley and Weisberg).

It was moved by Weisberg, seconded by Bruschera, that staff present to the Board at its meeting of May 25, 1982, actuarial assumptions and recommended rates of contribution for fiscal 1982-83; motion passed, 7-0.

INVESTMENTS CALENDAR

A. Investment Quarterly Meeting

1. Resolution regarding Appointment of Investment Managers To Manage Equity Portfolio:

   A resolution (herewith attached to these minutes) was presented to the Board to provide for the appointment of three Investment Managers to manage the Retirement System's Equity Portfolio.

ACTION: It was moved by Weisberg, seconded by Stanley, to approve the resolution; motion passed, 7-0.

2. Amendment to Retirement Board Resolution Adopted July 23, 1980, regarding Common Stock Transactions:

   A resolution (herewith attached to these minutes) was presented to the Board amending the Board's resolution of July 23, 1980, regarding common stock transactions.

ACTION: It was moved by Weisberg, seconded by Bruschera, to approve the amended resolution; motion passed, 7-0.

At this time, the Board's three Investment Managers (Crocker Investment Corporation; Eaton and Howard, Vance Sanders, Inc., and Loomis, Sayles & Company) addressed the Board on matters concerning investment practices, reporting methods, etc.

NOTE: Mr. Molinari left at this point in the meeting.

3. Distribution of Securities Among Investment Managers:
   The Board received a recommendation regarding the distribution of securities among the three Investment Managers and a list of securities which each manager would desire to retain or not to retain.

ACTION: It was moved by Bruschera, seconded by Stanley, to adopt the staff recommendation that the Equity Portfolio be distributed equally among the Investment Managers; that the Managers retain those securities which they wish to retain at this time; and that staff be authorized to sell those securities which the Managers do not wish to retain; motion passed, 6-0.

4. Callen Associates: Discussion of and Proposed Recommendation regarding Performance Measurement of Investment Managers:

   A representative of Callen Associates discussed with the Board a recommended method of performance measurement of Investment Manager equity transactions.

   This was an information item only.

NOTE: Mr. Denning left the meeting at this time.

5. Review and discussion of the Bond Portfolio and transactions for the quarter ended March 31, 1982.

   Jack Stoufer, Chief Investment Officer, reviewed the Board Portfolio with the Board. Information item only.

6. Review and discussion of the Stock Portfolio and transactions for the quarter ended March 31, 1982. Also transactions from April 1, 1982 through April 30, 1982.

   George Springman, Sr. Vice-President of Crocker Investment Management Corporation, reviewed the Stock Portfolio with the Board. Information item only.

7. Review and discussion of the Option Portfolio and transactions for the quarter ended March 31, 1982.

   Jack Stoufer reviewed the Option Portfolio with the Board. Information item only.

8. Private Placement: Sears, Roebuck and Company:

   Jack Stoufer presented a private placement offering for Sears, Roebuck and Company.

ACTION: It was moved by Stanley, seconded by DeMerritt, to approve the purchase of a private placement offering for Sears, Roebuck and Company; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Robert Hoffman

   ACTION: It was moved by Weisberg, seconded by Bruschera, to approve the request; motion passed, 5-0.

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Albert Quock

ACTION: Mr. Quock;s request was referred back to staff for further information.

3. REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT:
Lillian Swift

ACTION: It was moved by Weisberg, seconded by Bruschera, to approve the request; motion passed, 5-0.

GENERAL MANAGER'S REPORT

1. PERSONAL SERVICE CONTRACT - WORKERS' COMPENSATION PROGRAM

(over from meeting of 4/27/82)

ACTION: Over to meeting of May 25, 1982.

There being no further business, the Board adjourned its meeting at 3:10 p.m.

Respectfully submitted

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

May 11, 1982

RESOLUTION

WHEREAS, the Retirement Board of the San Francisco City and County Employees' Retirement System deems it a prudent and advisable investment decision to engage for fee, the services of one or more Investment Managers; therefore, be it

RESOLVED, that the Retirement System enter into contracts with Crocker Investment Management Corporation, Eaton & Howard, Vance Sanders Inc., and Loomis, Sayles & Company, for the purposes of managing the Retirement System's equity portfolio on a fully discretionary basis subject to the Retirement Board's previously established investment criteria. Such discretion shall include the authority to purchase and sell and hold common stocks, preferred stocks and convertible securities as each of the individual managers may see fit.

This resolution was adopted by the Retirement Board on May 11, 1982.

RETIREMENT BOARD

Minutes REGULAR MEETING

MAY 25, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	John L. Molinari	President, Board of Supervisors
ABSENT	Meta K. Stanley	Commissioner

MINUTES Regular Meeting, May 11, 1982

ACTION: Approved

ITE

a)

b)

c)

d)

ACT

ITE

1)

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 23-81

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Mary Ashe - $3,000.00

c) W.C.A.B. - Compromise and Release:
Gerardo Costanza - $4,000.00

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Willie Williams - $800.00

ACTION: It was moved by Bruschera, seconded by Weisberg, to approve the Consent Calendar; motion passed, 5-0, (Molinari not present)

REGULAR CALENDAR

ITEM

1) HEARING OFFICER DECISIONS:

a) BAUTISTA, Aladino
Public Health - Lab. Aide, X-Ray
Ordinary Disability Retirement
Effective Date - October 21, 1981 GRANTED

b) DESMOND, Robert P.
Purchasing Department - Asst. Supervisor
Ordinary Disability Retirement
Effective Date - June 1, 1982 GRANTED

ACTI

2)

ACTI

Note

c) DUBIN, Richard D.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - January 21, 1982 GRANTED

d) HENRY, Calvin J.
Education - Supervisor 1, Custodian
Ordinary Disability Retirement
Effective Date - October 31, 1981 DENIED

e) JOHNSON, Paul B.
Education - Custodian
Ordinary Disability Retirement
Effective Date - November 18, 1981 GRANTED

f) SCHMIDT, Robert R.
Superior Court - County Courtroom Clerk
Ordinary Disability Retirement
Effective Date - January 18, 1981 DENIED

g) SENIGA, Marie
Education - Custodian
Ordinary Disability Retirement
Effective Date - December 1, 1981 GRANTED

h) WEBB, Edward E.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - January 1, 1981 GRANTED

ACTION: It was moved by Bruschera, seconded by DeMerritt, to accept the Hearing Officer decisions; motion passed, 5-0 (Molinari not present)

2) RESOLUTION COMMENDING M. ERNESTINE DIAZ ON THE OCCASION OF HER RETIREMENT:

ACTION: It was moved by Bruschera, seconded by DeMerritt, to adopt the Resolution as presented; motion passed, 5-0 (Molinari not present)

Note: Mr. Molinari arrived at this point in the meeting.

3)

3) ADOPTION OF RATES OF CONTRIBUTION FOR FISCAL 1982-83:

This item was a carryover from previous Board meetings of April 27, 1982 and May 11, 1982:

William Smith, Consulting Actuary, and Clare Murphy, Assistant Actuary, presented a written and oral report to the Board on the actuarial valuation and experience analysis of the Retirement System as of June 30, 1981.

The following representatives of employee organizations addressed the Board on the subject matter:

Maura Kealey - SEIU Joint Council
Robert McDonnell - Laborers Local 261
David Novodgrodsky- Technical Engineers Local 21
Michael Hebel - Police Officers Association

Kealey, McDonnell and Novodgrodsky reiterated their previous stance that the determination of rates of contributions was subject to the "Meet and Confer" process.

Dan Maguire, Board Legal Counsel, in response to a question from the Board, stated that, in his opinion, the Board's determination of rates of contribution is not subject to the "Meet and Confer" process. Mr. Maguire stated further that his opinion would be presented to the Board in writing prior to the Board's next meeting.

At this point, the Consulting Actuary recommended that the Board adopt a series of rates of contribution as set forth in his written report.

It was moved by Weisberg, seconded by Bruschera, that the Board adopt the following rates of contribution for fiscal 1982-83:

A. City and County Rates of Contribution:

1) Uniformed Police Employees - 92.50%

2) Uniformed Fire Employees - 91.00%

3) Miscellaneous Employees - 17.00%

B. Employee Rates of Contribution:

1) Miscellaneous Employees Covered Under Charter Section 8.509: As set forth in Table attached to these minutes.

ITE

1.

2.

3.

It was moved by Molinari, seconded by Denning, to postpone consideration of the motion to adopt rates of contribution for two weeks pending receipt of a formal City Attorney's opinion on the question of whether the Board is required to "meet and confer" with employee organizations prior to adoption of rates of contribution; motion failed, 1-5 (Ashe, Bruschera, DeMerritt, Denning and Weisberg)

The Board thereupon took action on the main motion to adopt rates of contributions for fiscal 1982-83: motion passed, 6-0.

Note: Mr. Molinari left at this point in the meeting.

INVESTMENTS CALENDAR

ITEM

1. PRIVATE PLACEMENT - K MART CORPORATION, LESSEE:

   ACTION: It was moved by Bruschera, seconded by Denning, to approve the private placement purchase of K MART; motion approved, 5-0.

2. PROPOSAL FROM INVESTOR RESPONSIBILITY RESEARCH CENTER (IRRC) RE SOCIAL INVESTING:

   ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the expenditure of $1,000.00 to assist in the cost of developing and preparing a special report by IRRC on "social investing"; motion passed, 5-0.

3. REPORT RE STATUS OF EQUITIES NOT RETAINED BY AGREEMENT WITH EQUITY INVESTMENT MANAGERS:

   Jack Stoufer, Chief Investment Officer, reported that the Investmements Division had sold four of the five equities which the three Equity Investment Management firms had declined to manage under an agreement approved by the Board on May 11, 1982. Mr. Stoufer reported that there was an aggregate loss of $8,903,552.72 in the sale of the four equities.

ITE

1.

2.

3.

4.

1.

SUPPLEMENTAL CALENDAR

ITEM

1. MEDICAL BILLS AND REPORTERS' SERVICES - $1,010.25

   ACTION: It was moved by Weisberg, seconded by Bruschera, to approve Medical Bills and Reporters' Services; motion passed, 5-0.

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Margaret V. Thomas

   ACTION: Request referred back to staff for further information.

3. W.C.A.B. - Compromise and Release - Wilma Pang - $2,400.00

   ACTION: It was moved by Bruschera, seconded by Denning, to approve compromise and release in the amount of $2,400.00; motion passed, 5-0.

4. SETTLEMENT OF DISPUTED CLAIM - Subrogation:

   Janet Rogers - $215.29

   ACTION: It was moved by Bruschera, seconded by Weisberg to approve settlement of disputed claim in the amount of $215.29; motion passed, 5-0.

GENERAL MANAGER'S REPORT

1. PERSONAL SERVICES CONTRACT - WORKERS' COMPENSATION PROGRAM

   (Over from Meeting of May 11, 1982)

   The General Manager reviewed with the Board a written request to authorize the expenditure of up to $10,000 to contract for the services of Gates, McDonald and Company for the purpose of providing consulting services for the Worker Compensation program, particularly with respect to claims management.

Foll
made

Prio
the

Furt
Denn

The
ager
at a

NOTE

Following a general discussion of the request, a motion was made by Denning, seconded by Weisberg, to approve the request.

Prior to action being taken on the motion, Dr. Weisberg left the meeting.

Further discussion ensued on the motion, following which Mr. Denning withdrew his motion.

The request was thereupon referred back to the General Manager for further information and for report back to the Board at a future meeting.

There being no further business, the Board adjourned its meeting at 3:40 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

PRES

ABSE

MINU

SF

RETIREMENT BOARD

REGULAR MEETING

Minutes

JUNE 8, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Meta K. Stanley	Commissioner
	John L. Molinari	President, Board of Supervisors

MINUTES Regular Meeting, May 25, 1982

ACTION: Approved

The

ITEM

a) VOLUN

b) REQUE
MENT:

Myrtl

c) REQUE

Alfre

ACTIO

h) INVES

Staff
Divis

ACTIO

i) REQUE

Carol

Clair
and t

ACTIO

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 24-81

b) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT:

Myrtle Suttice

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Alfred Nassaire, Jr.

ACTION: It was moved by Bruschera, seconded by Weisberg, to approve the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

1) INVESTMENTS DIVISION BUDGET, 1982-83:

Staff presented and reviewed with the Board the Investments Division budget for 1982-83 (see attached)

ACTION: It was moved by DeMerritt, seconded by Denning, to adopt the Investments Division budget for 1982-83; motion passed, 5-0.

2) REQUEST TO CONDUCT STUDY OF FEMALE RETIREES:

Carole Cox - San Jose State University

Claire Murphy explained to the Board the nature of the request and the projected results of the study.

ACTION: It was moved by Weisberg, seconded by Bruschera, to approve the request; motion passed, 5-0.

3) REPORT RE OVERPAYMENT OF SURVIVORSHIP BENEFIT TO A RETIRED EMPLOYEE:

Staff informed the Board that Mr. Jaykee M. Ford had made full restitution of overpayment of survivorship benefit.

ACTION: No action; information item only.

4) REQUEST TO WITHDRAW "VESTED" FUNDS:

Jerry F. Schimmel

Staff informed the Board of the issues involved in Mr. Schimmel's request to withdraw his "vested" funds. Mr. Schimmel spoke to the Board on behalf of his request. The Board's Legal Counsel answered several questions concerning the request.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to authorize Mr. Schimmel to withdraw his "vested" funds; motion passed, 5-0.

5) HEARING OFFICER DECISIONS:

a) ALEXANDER, Drebelbis
Golf Course Starter, Recreation & Park Dept.
Ordinary Disability Retirement
Effective Date - November 1, 1981 GRANTED

b) CUMMINS, Henry J.
Fire - Firefighter
Industrial Disability Retirement
Effective Date - February 24, 1982 GRANTED

c) DILLON, Bobbie Jo
Custodian, S. F. Community College District
Ordinary Disability Retirement
Effective Date - July 29, 1981 GRANTED

d) HEALY, Michael M.
Asphalt Finisher, DPW Street Repair
Ordinary Disability Retirement
Effective Date - March 18, 1982 GRANTED

e) KRUTT, Raymond
Police - Police Officer
Industrial Disability Retirement
Effective Date - February 2, 1982 GRANTED

f) LANDI, Oreste
Transit Operator - Municipal Railway
Ordinary Disability Retirement
Effective Date - September 23, 1981 DENIED

g) MANWILLER, Lawrence M.
Police - Police Officer
Determination GRANTED

h) SHUTE, Manuel H.
Transit Operator - Municipal Railway
Ordinary Disability Retirement
Effective Date - July 1, 1981 GRANTED

ACTION: It was moved by Bruschera, seconded by Denning, to accept the Hearing Officer decisions; motion passed, 5-0.

GENERAL MANAGER'S REPORT

1. REPORT RE MAYOR'S RECOMMENDED BUDGET FOR RETIREMENT SYSTEM, 1982-83:

Staff informed the Board of the Mayor's final recommended budget for the Retirement System for fiscal 1982-83, the results of which show that the Compensation Division will be funded for one-half year only and that one position, 8165 Assistant Compensation Supervisor, will be deleted, effective July 1, 1982.

The Board reviewed and discussed the recommended budget and, in light of the recommendation to partially defund the Compensation Division, agreed with the General Manager that a consultant should be retained to study and evaluate current claims management procedures in the Compensation Division.

A representative of SEIU Local 400 addressed the Board on this issue.

ACTION: It was moved by Weisberg, seconded by Denning, to authorize the staff to expend up to $10,000 to provide consultant services on behalf of the Compensation Division, said services to be authorized on the basis of a Personal Services Contract; motion passed, 4-1 (Ashe)

CLOSED SESSION

At this point in the meeting, the Board went into closed session to receive legal advice from the Board's Legal Counsel on the question of whether the Retirement Board is bound by the provisions of the Meyers-Milias-Brown Act or the Employer-Employee Relations Ordinance to meet and confer with employee organizations prior to the adoption of employee rates of contribution to the Retirement System. The Board's Legal Counsel affirmed in a written opinion that the Board is not subject to the meet and confer provisions of the mandatory Meyers-Milias-Brown Act or the Employer—Employee Relations Ordinance on such matters as employee rates of contribution to the Retirement System.

The Board thereupon resumed its Regular Calendar.

GENERAL MANAGER'S REPORT (continued)

2. REPORT RE PERSONAL SERVICES CONTRACTS FOR EQUITY INVESTMENT MANAGEMENT FIRMS:

   The Board received an oral report from the General Manager on the status of the Personal Services Contracts for and on behalf of the Equity Investment Management Firms.

   This was an information item only.

3. REPORT RE CONTROLLER'S FINDINGS RELATIVE TO COSTS FOR CONTRACTING OUT WORKERS' COMPENSATION PROGRAM:

   The General Manager reviewed with the Board the findings of the Controller on costs to the Retirement System were the System to contract-out the Workers' Compensation program.

   No action was taken by the Board at this time.

There being no further business,

the Board adjourned its meeting

at 2:50 p.m.

Respectfully submitted,

G. M. McMorritt (for)
DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.

SF EMPLOYEES RETIREMENT SYSTEM

Investment Division 1982-83 Budget Request

			1981-82 Approved Budget	1982-83 Request
01		Personal Services		
	0010	Perm. Salaries	195,513	264,102
	0200	Temp. Salaries	50,000	57,863
	6000	Retirement CNGS-City Match	33,217	40,642
	0606	Social Security - City Match	9,255	13,527
	0610	Health Service - City Match	2,675	5,959
	0620	Unemployment Ins.	782	1,287
	0621	Unemployment Ins. - Adm.	10	20
		Total Personal Services	291,452	383,400
10		Contractual Services		
	1001	Prof. & SPL Services	125,000	870,000
	1206	Travel	8,000	8,000
	1218	Office Equipt. Maint.	5,000	5,000
	1232	Telephone	11,000	12,000
	1233	Postage	6,000	7,000
	1235	Subscriptions	4,300	3,700
		Investors Research	5,000	5,000
	1241	Off. Machine Rental	37,600	30,400
	1269	Other Contractual Services	Ø	3,000
		Total Contractual Services	201,900	944,100
11		Current Expenses		
	1301	Office Supplies	2,000	2,000
	1440	Membership	900	900
	1460	Property Rent	22,552	23,679
		Total Current Expenses	25,452	26,579
22		Capital Outlay		
	2260	Office Equipment	2,200	Ø
		Total Capital Outlay	2,200	
30		Services of Other Departments		
	3400	Data Process - Maint. Oper.	75,033	80,000
	3500	Print. & Reproduction	2,000	3,000
		Total Services of Other Departments	77,033	83,000
			598,037	1,437,079

PRESE

ABSEN

MINUT

-SF

RETIREMENT BOARD

Minutes REGULAR MEETING

JUNE 29, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Meta K. Stanley	Commissioner
	Quentin L. Kopp	President, Board of Supervisors

MINUTES Regular Meeting, June 8, 1982

ACTION: Approved

The

ITEM

a) CORR

From

b) SETT

Jose

c) SETT

Tok

d) SETT

Elio

e) SETT

Rose

f) SETT

John

g) SETT

Louis

h) SETT

John

i) REQU

Ray E

j) VOLUN

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) CORRECTION OF BIRTHDATE: Gerald J. Lynch
From 4/9/25 to 4/29/24

b) SETTLEMENT OF DISPUTED CLAIM - Arbitration Award:
Joseph Foley - $3,126.80

c) SETTLEMENT OF DISPUTED CLAIM - Subrogation
Tok Ye Kim - $2,072.91

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation
Eliodoro Chua - $3,356.00

e) SETTLEMENT OF DISPUTED CLAIM - Subrogation:
Rosemary Krause - $4,400.00

f) SETTLEMENT OF DISPUTED CLAIM - Subrogation
John Doumbia - $1,000.00

g) SETTLEMENT OF DISPUTED CLAIM - Subrogation:
Louis Ramirez - $3,500.00

h) SETTLEMENT OF DISPUTED CLAIM - Compromise and Release:
John Occhipinti - $500.00

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Ray E. Coleman

j) VOLUNTARY SERVICE RETIREMENT LIST, NO. 1-82

ACTION:

ITEM

PROPOS

Jack S
propos
stock

TION:

ALLOCA

Jack S
propos
(see a

TION:

REAL E

Goldwe

Repres
the Bo
of whi

TION:

REQUES

ACTION: Under Item j, Voluntary Service Retirement List, No. 1-82, William E. Paton was removed from the list of retirees, Mr. Paton having requested in writing that his application for service retirement, effective July 1, 1982, be canceled. (See Supplemental Calendar.)

It was moved by Weisberg, seconded by Bruschera, to approve the Consent Calendar; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. PROPOSED REVISION TO POLICY RE AUTHORITY TO PURCHASE COMMON STOCK:

Jack Stoufer, Chief Investment Officer, presented to the Board a proposed revision to Board policy regarding the purchase of common stock (see attached.)

ACTION: It was moved by Weisberg, second by Bruschera, to approve the proposed revision to Board policy on purchase of common stock; motion passed, 5-0.

2. ALLOCATION OF FUNDS FOR PERIOD ENDING JULY 1, 1982:

Jack Stoufer, Chief Investment Officer, presented to the Board a proposed allocation of funds for the period ending July 1, 1982 (see attached.)

ACTION: It was moved by Weisberg, seconded by Denning, to approve the allocation of funds for the period ending July 1, 1982; motion passed, 5-0.

3. REAL ESTATE INVESTMENT REPORT:

Coldwell Banker Institutional Funds

Representatives of the Coldwell Banker Real Estate Group addressed the Board on the current status of the various Institutional Funds of which the Retirement Board is a limited partner.

ACTION: This was an information item only.

REGULAR CALENDAR

ITEM

1) REQUEST TO ADJUST RETIREMENT ALLOWANCE: George Kartinos

Georg
appea
allow
a fis
Kartu
of Re
the s
Cumml
on th

TOM: I
R
n

REQUE

Artur

TOM: I
E

REVIE

At th
revie
Prac
pare
the I

Jack
the I
pers
and
Esta
the

Vinc
of t
Dire

TOM:

AUTH

SYST

Body

George Kartinos and his legal representative, John B. Molinari, appeared before the Board to request that Mr. Kartinos' retirement allowance be adjusted to take into account certain wages earned in a fiscal year prior to the fiscal year used to calculate Mr. Kartinos' retirement allowance. Clare Murphy, Assistant Manager of Retirement Services, informed the Board of the method used by the staff to calculate Mr. Kartinos' retirement allowance. Susan Cummins, Deputy City Attorney, rendered legal advice to the Board on the question of determining "average final compensation".

ACTION: It was moved by Weisberg, seconded by DeMerritt, to deny Mr. Kartinos' request for an adjustment in his retirement allowance; motion passed, 4-1 (Bruschera)

2) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Arturo A. Bura

ACTION: It was moved by Bruschera, seconded by DeMerritt, to deny Mr. Bura's request; motion passed, 5-0.

3) REVIEW AND DISCUSSION - PUBLIC PENSION INVESTMENT PROJECT REPORT:

At this point, the Board opened the meeting for a discussion and review of a report titled, "Report On The Investment Policies And Practices Of The San Francisco Employees Retirement System," prepared by The Public Pension Investment Project and presented to the Retirement Board in May 1982.

Jack Stoufer, Chief Investment Officer, reviewed the report with the Board and commented on various aspects of the report. Other persons, such as George Springman, former Chief Investment Officer, and representatives of Callan Associates and Coldwell Banker Real Estate Group also addressed the Board regarding the contents of the report.

Vincent J. Courtney, Jr., Chairperson of the Board of Directors of the Public Pension Investment Project, and Susan Mulloy, Project Director, addressed the Board regarding the report.

ACTION: Due to the absence of the General Manager of the Retirement System on sick leave, and the desire of the Board to hear the General Manager's remarks regarding the report, no action was taken by the Board at this time.

4) AUTHORIZATION TO CONDUCT STUDY OF RETIREMENT SYSTEM ACCOUNTING

SYSTEMS:

Rudy Hernandez, Manager of Retirement Services, and Alice Wong,

Senio
appro
attac
appro

IION: I
a
t

HEARI

a) C
W
C
E

b) C
M
C
E

c) D
P
P
E

d) E
M
C
E

e) H
R
f

f) M
C
C
E

g) M
C

h) P
F
I
E

i) P
L
O
E

Senior Systems Accountant, presented to the Board a request for approval of an accounting study of the Retirement System (see attached.) Mr. Hernandez reported that funds for the study, approximately $100,000, were an approved budget item.

ACTION: It was moved by Denning, seconded by DeMerritt, to approve the accounting system study and the bid proposeal to be submitted to firms who may wish to conduct the study; motion passed, 5-0.

5) HEARING OFFICER DECISIONS:

a) CLARK, Vetnal
War Memorial - 2708 Custodian
Ordinary Disability Retirement
Effective Date - May 1, 1982 — GRANTED

b) COLLINS, Marion S.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - May 19, 1982 — GRANTED

c) DENNIS, Edward J.
Police - Inspector
Industrial Disability Retirement
Effective Date - July 2, 1982 — DENIED

d) ELDER, Dorothy
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - July 24, 1981 — GRANTED

e) HENRY, Patrick G.
Request for Reinstatement
from Industrial Disability Retirement — DISMISSED WITHOUT PREJUDICE

f) MOHAMED, Moustafa
Controller's Office - Senior Accountant
Ordinary Disability Retirement
Effective Date - September 1, 1981 — GRANTED

g) MONSON, Irene (Widow of John H.)
Continuation of Retirement Allowance — GRANTED

h) PEASE, Edward F.
Fire - Battalion Chief
Industrial Disability Retirement
Effective Date - May 1, 1982 — DENIED

i) PRICE, Evelyn D.
Laguna Honda Hospital
Ordinary Disability Retirement
Effective Date - May 1, 1982 — GRANTED

TION:

PROPO

TION:

EM

REPOR

Rudy
hensi
Worke
at th

At th
Suppl
Deput

5. C
C

T
o
M
c
j
s
o
t

N
w
t

N

REPOR

Clare
circu
quali
is de
membe
of th

ACTION: It was moved by Bruschera, seconded by Weisberg, to accept the Hearing Officer decisions; motion passed, 5-0.

6) PROPOSED CHARTER AMENDMENT - SECTION 8.102 ABSENCE FROM STATE:

ACTION: It was moved by Bruschera, seconded by Denning to support the proposed amendment to Charter Section 8.102 Absence from State.

GENERAL MANAGER'S REPORT

ITEM

1. REPORT RE WORKERS' COMPENSATION DIVISION:

Rudy Hernandez and Susan Jennings reviewed with the Board a comprehensive report on a variety of claims management problems in the Workers' Compensation Division. No action was taken on the report at this time.

At this point in the meeting, the Board took up Item No. 5 of the Supplemental Calendar in order to allow Thomas A. Toomey, Chief Deputy City Attorney, to review with the Board the following matter:

5. CITY ATTORNEY'S OPINION RE INVESTMENT MANAGEMENT CONTRACT WITH CROCKER INVESTMENT MANAGEMENT CORPORATION:

The Acting Secretary (G. DeMerritt) advised the Board of the current status of the contract to employ Crocker Investment Management Corporation as an Equity Investment Manager. A discussion ensued regarding a City Attorney's opinion on the subject of Civil Service Commission jurisdiction with respect to said contract. Mr. Toomey advised the Board of the legal aspects of the contractual arrangement and answered several Board questions concerning the opinion.

No action was taken by the Board at this time. However, staff was instructed to expedite the calendering of this matter with the Civil Service Commission.

NOTE: Dr. Weisberg left the meeting at this point.

General Manager's Report (continued)

2. REPORT RE INITIATIVE ESTABLISHING THIRD TIER POLICE RETIREMENT PLAN:

Clare Murphy submitted to the Board a copy of an initiative being circulated which, if sufficient signatures are obtained, will qualify for the November 1982 general election. The initiative is designed to establish a third tier retirement plan for uniformed members of the Police Department. Following a general discussion of the initiative, the Board was requested to authorize release of

variou
ponent

TION: I
t
p

REQUES
AUGUST

The Ac
questi
Pensio
1982.

TION: I
t
W
C

N
P

SETTLE

Lonnie

TON: I
s

SETTLE

Bradna

TON: I
s

REQUES

Frank

TON: I
d
m

REQUES

Frances

TON: I
d
m

various data and information to actuaries representing the proponents of the initiative.

ACTION: It was moved by Denning, seconded by Bruschera, to approve the release of data and information to proponents of the proposed initiative; motion passed, 4-0.

3. REQUEST TO ATTEND ANNUAL MEETING OF WESTERN PENSION CONFERENCE - AUGUST 22-25, 1982

The Acting Secretary submitted a written request to the Board requesting authorization to attend the Annual Meeting of the Western Pension Conference at Colorado Springs, Colorado, August 22-25, 1982.

ACTION: It was moved by Bruschera, seconded by DeMerritt, authorizing the Executive Assistant to the General Manager to attend the Western Pension Conference Annual Meeting in Colorado Springs, Colorado, from August 22 through August 25, 1982.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Lonnie Davis - $1,200.00

ACTION: It was moved by Bruschera, seconded by Denning, to approve settlement of disputed claim; motion passed, 4-0.

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Bradna Islas - $3,000.00

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve settlement of disputed claim; motion passed, 4-0.

3. REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT:

Frank L. Edlund

ACTION: It was moved by Bruschera, seconded by Denning, to approve withdrawal of application for ordinary disability retirement; motion passed, 4-0.

4. REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT:

Frances A. Bertrand

ACTION: It was moved by Bruschera, seconded by Denning, to approve withdrawal of application for ordinary disability retirement; motion passed, 4-0.

RESOL
PROSP

A res
to ex
candi
candi
Franc

TION:

COMMU
TECHN
CONTR

The A
Couns
next
spoke

TION:

REPOR
ELECT

The A
chart
the R
Actin
propo

REQUE

William

TION:

CONTR

TION:

5. RESOLUTION REQUESTING AUTHORIZATION TO EXPEND FUNDS TO INTERVIEW PROSPECTIVE CANDIDATES FOR PROFESSIONAL INVESTMENT POSITIONS:

A resolution was presented to the Board requesting authorization to expend funds for the purpose of interviewing prospective candidates for professional investment positions, particularly candidates who may reside outside the City and County of San Francisco.

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve the resolution; motion passed, 4-0. (See attached resolution.)

6. COMMUNICATION FROM INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS, LOCAL 21, RE BOARD ACTION SETTING RATES OF CONTRIBUTION:

The Acting Secretary requested that the Board, in light of Legal Counsel's absence on vacation, put this matter over to the Board's next meeting. David Novogrodsky, Business Manager of Local 21, spoke briefly to the Board regarding the communication.

ACTION: It was moved by Denning, seconded by DeMerritt, to put the communication over to the Board's next meeting, July 13, 1982; motion passed, 4-0.

7. REPORT RE PROPOSED CHARTER AMENDMENTS FOR NOVEMBER 1982 GENERAL ELECTION:

The Acting Secretary reviewed with the Board a number of proposed charter amendments for the November 1982 election which would affect the Retirement System. This was an information item only, the Acting Secretary to report back to the Board on progress of the proposed amendments.

8. REQUEST TO WITHDRAW APPLICATION FOR SERVICE RETIREMENT:

William E. Paton

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve withdrawal of application for service retirement; motion passed, 4-0.

9. CONTRACT WITH CROCKER INVESTMENT MANAGEMENT CORPORATION:

ACTION: It was moved by Denning, seconded by Bruschera, that staff negotiate with Civil Service staff to expedite the calendering and approval of the contract on the Civil Service Commission calendar; motion passed, 4-0.

There being no further business, the Board adjourned its meeting at 3:45 p.m.

Respectfully submitted,

G. M. DeMerritt
Acting Secretary

NOTE: Transcript of meeting contains references to meeting items.

June 29, 1982

W

the im

ion inclu

nt term s

W

ustrent

ect to

therefo

R

nt secur

F

he Retir

authorit

eria hav

1.

2.

3.

4.

5.

INVESTMENT RESOLUTION

WHEREAS, this Retirement Board has determined that it is prudent and advisable that the investment program of the San Francisco City and County Employees' Retirement System include bonds, common stocks, preferreds, convertible securities, real estate and short term money market investments; and

WHEREAS, it is necessary for the implementation and performance of the Investment Division that this Retirement Board establish and enunciate its policy with respect to investment of Retirement System funds and institute procedures for investments; now, therefore, be it

RESOLVED, that it is the objective of the Retirement Board to invest in money market securities, bonds, common stocks and real estate as the Board may determine; and, be it

FURTHER RESOLVED, that the Retirement Board hereby delegates the General Manager of the Retirement System, the Chief Investment Officer, and an Assistant Chief of Investments, the authority to buy and sell, bonds and preferred securities, provided that the following criteria have been met:

1. Monies used to purchase bonds or preferred securities must have explicitly and formally been previously allocated by the Retirement Board for investment in said securities.
2. Bonds purchased must be rated "A" or better by one of the recognized rating services. In the event an issue is rated by more than one service, and the ratings differ, the lower rating must be "A" or better quality.
3. All private placements and Canadian securities other than the Government of Canada, the provinces and the guaranteed hydro-electric debt of British Columbia, Ontario, Quebec, Saskatchewan, Manitoba, and British Columbia Municipal Financing Authority, must be explicitly approved by the Retirement Board prior to purchase.
4. The following issues are exempt from the percentage limitation enumerated in paragraphs 5 and 6 below: a) U.S. Treasury securities; b) Agencies of the U.S. Government; and c) Securities of government sponsored enterprises, including but not limited to, Farm Credit System, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation and Federal National Mortgage Associates and Maritime Administration.
5. The amount of purchase of any individual issue excluding money market securities shall not exceed the following

percentages of the assets of the book value of the total portfolio:

Aaa	2.0%
Aa	1.5%
A	1.0%

6. The amount of holdings of any individual issuer excluding money market securities that the Retirement System may at any one time hold shall not exceed:

   Aaa 4-1/2% of the total book value of the fund
   Aa 3-1/2% of the total book value of the fund
   A 2-1/2% of the total book value of the fund

7. Purchase and sales of bonds shall be formally reported to the Retirement Board at the first convenient meeting immediately following the purchase or sale of such security; and, be it

FURTHER RESOLVED, that the Retirement Board hereby authorizes the General Manager of the Retirement System, the Chief Investment Officer, the Assistant Chief of Investments, Crocker Investment Management Corporation, Eaton & Howard, Vance Sanders, Inc., and Loomis, Sayles and Company, to buy, sell and hold common stocks, preferred stocks and convertible securities provided that the following criteria have been met:

1. Monies used to purchase common stocks, preferred stocks and convertible securities must have explicitly been previously allocated by the Retirement Board for investment in common stocks, preferred stocks, or convertible securities.
2. All investments shall be of the character legal for insurance companies in California.
3. In order to qualify for purchase, an equity type security must meet the following criteria:
   a) Domiciled in the United States or Canada.
   b) Market value of common stock must be at least $250,000,000.
   c) Annual gross revenues of at least $150,000,000.
   d) Incorporated for at least 12 years.
   e) Publicly traded for at least the last five years.
   f) Listed on a national exchange, except insurance, bank or preferred stocks.
   g) Currently pays a dividend.
   h) Annual net income, excluding extraordinary items, must meet or exceed dividends paid in the last four out of five years.

i) Retirement System may not own more than 5% of outstanding common stock of any one corporation.

j) Notwithstanding Sections 3b through 3I, herein, and in order to give certain recognition to investments that may warrant departure from the above guidelines, an amount not exceeding 25% of the total portfolio (including cash and/or money market securities) of each individual equity manager at cost value may be invested in securities that do not otherwise qualify for investment under the guidelines set forth above, provided that at the time of the initial purchase of a common stock its market value be no less than $50 million (computed as the number of shares outstanding times the market price, equals $50 million or more).

4. The amount of total purchases of any one common stock shall not exceed 5% of the cost (including cash and/or money market securities) of each individual equity manager's total portfolio.

5. Purchases and sales of common stocks, preferred stocks and convertible securities shall be reported to the Retirement Board at the first convenient Board Meeting immediately following the purchase or sale of said securities; and, be it

FURTHER RESOLVED, that the Retirement Board hereby delegates the General Manager of the Retirement System, the Chief Investment Officer, and an Assistant Chief of Investments, the authority to buy and sell money market securities, including but not limited to:

1. Short-term unsecured notes (commonly named commercial paper) of major United States Corporations which meet the following quality criteria:

   a) Commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's, and

   b) All outstanding senior long-term debt of either the issuing corporation or its parent corporation, must be rated "A" or better by at least one of the recognized rating services.

2. Certificates of Deposit: Only those from issuers whose certificates are acceptable as collateral by the Federal Reserve System and its member banks for discounting purposes.

3. Bankers Acceptances: Only those acceptances issued by major financial institutions which are acceptable for rediscounting purposes by the Federal Reserve System and its member banks.

4. Repurchase Agreements which are collateralized with securities issued by the United States Treasury and Agencies of the United States Government, provided that the maturity of the deposited collateral shall not exceed two years beyond the date the collateral was deposited.

5. Money Market Mutual Funds which are managed and distributed by nationally recognized security dealers.
6. A time deposit (savings) account be maintained with Crocker National Bank.

Approved by the Retirement Board
at its meeting of June 29, 1982

available
ated net
funds a

funds pr
funds pr
funds pr

invester
invester
invester
ew fun

narily
of tot

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD
ENDING JULY 31, 1982

FUNDS ANALYSIS

*Cash available for investment as of April 30, 1982		$71,812,000
Projected net cash additions to the portfolio for the ensuing three months		13,662,000
Total funds available		$85,474,000
Less:		
Funds previously allocated for bond purchases	$34,269,000	
Funds previously allocated for stock purchases	31,734,000	
Funds previously allocated for real estate	-0-	$66,003,000
		$19,471,000

RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD ENDING JULY 31, 1982

Funds invested in real estate	0%	$ -0-
Funds invested in common stock - 50% (1/3 to each manager)(1)		9,735,500
Funds invested in bonds	50%	9,735,500
Total new funds available for investment		$19,471,000

* Temporarily invested in money market instruments

(1) 1/3 of total dollars = $3,245,166

Prepared by the Retirement System
Investment Staff

CITY AND COUNTY OF SAN FRANCISCO
RETIREMENT BOARD
OFFICE OF THE GENERAL MANAGER
EMPLOYEES' RETIREMENT SYSTEM
770 GOLDEN GATE AVENUE
SAN FRANCISCO, CA. 94102

June 29, 1982

RESOLUTION

Resolved that the Retirement Board authorizes the expenditure of funds deemed necessary to interview any candidate or candidates for any professional investment position and who may reside outside the City and County of San Francisco.

This resolution was presented to and adopted by the Retirement Board at its regular meeting on June 29, 1982.

Peter D. Ashe
President

G. M. Oberwelt (for)
Daniel Mattrocce
General Manager

RETIREMENT BOARD

Minutes

REGULAR MEETING

JULY 13, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	Quentin L. Kopp	President, Board of Supervisors
ABSENT	Meta K. Stanley	Commissioner

MINUTES Regular Meeting, June 29, 1982

ACTION: Approved

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 2-82.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Arturo Bura

c) SETTLEMENT OF DISPUTED CLAIM: W.C.A.B. - COMPROMISE AND RELEASE:

Irving Shapiro - $4,500.00

d) SETTLEMENT OF DISPUTED CLAIM: W.C.A.B. STIPULATIONS WITH REQUEST FOR AWARD:

Leo Sullivan - $21,770.00

e) APPROVAL OF MEDICAL BILLS AND REPORTERS' SERVICES: - $2,511.10

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 5-0 (Dr. Weisberg not present.) NOTE: Dr. Weisberg arrived at this point in the meeting.

REGULAR CALENDAR

ITEM

1) REQUEST FOR PAYMENT OF INTEREST ON RETROACTIVE ADJUSTMENT OF RETIREMENT ALLOWANCE:

Vincent J. Courtney, Sr.

Mr. Courtney's Legal Counsel, John J. Cullen, addressed the Board on this item and requested that the Board approve payment of interest on a retroactive adjustment of Mr. Courtney's retirement allowance approved by the Board on March 30, 1982 (retroactive to 1966.)

Dan Maguire, the Board's Legal Counsel, cited points and au-

thorities in support of his advice to the Board that Mr. Courtney was not entitled to an interest payment.

Following a discussion and review of the case, a motion was made by Kopp to put the request over pending clarification of the interest award and that Mr. Maguire review the case and report back to the Board. Following discussion of the motion, Kopp withdrew the motion.

ACTION: It was moved by Weisberg, seconded by Kopp, to deny the request for interest payment; motion passed, 4-2 (Ashe and Bruschera.)

2) REPORT ON CURRENT STATUS OF DEFERRED COMPENSATION PLAN:

Patrick Kalasardo - Hartford Insurance Group:

Mr. Kalasardo, Area Director of Hartford Insurance Group, rendered a written and oral report to the Board on the status of the Deferred Compensation Plan as of June 30, 1982. Part of Mr. Kalasardo's report included a proposed form letter and questionnaire to be sent to all members of the plan who request partial or full withdrawal of funds. A review and discussion of the form letter and questionnaire ensued.

ACTION: It was moved by Weisberg, seconded by Denning, to adopt the Request for Withdrawal Form in principle and to empower staff to adopt a similar or like Form; motion passed, 6-0.

3) PROPOSED CHARTER AMENDMENT TO PROVIDE THAT PROBATION OFFICERS AND JUVENILE COURT COUNSELORS MAY BECOME MEMBERS OF PUBLIC EMPLOYEES RETIREMENT SYSTEM:

Representatives of Probation Officers and Juvenile Court Counselors addressed the Board on this item, setting forth their reasons for wanting to transfer their membership to the California State Public Employees Retirement System (PERS.) Staff responded and reiterated its previous position in opposition to proposals that propose to transfer a group or groups of members to PERS.

The Board reviewed and discussed the proposal and received information from the Consulting Actuary relative to costs to the System if the proponents were to transfer to PERS.

ACTION: It was moved by Denning, seconded by Weisberg, to oppose the proposed charter amendment; motion passed, 6-0.

4) HEARING OFFICER DECISION:

a) SHERRATT, Robert M.
Fire - Assistant Chief
Industrial Disability Retirement
Effective Date - July 12, 1981 GRANTED

Dan Maguire, the Board's Legal Counsel, informed the Board that he had petitioned for a rehearing of the Hearing Officer's decision. Following a review and discussion of the case and Mr. Maguire's request for rehearing, it was moved by Kopp, seconded by Denning, to approve Legal Counsel's petition for rehearing; motion failed to carry on a 3/3 vote.

It was then moved by Weisberg, seconded by Bruschera, to accept the Hearing Officer's decision; motion failed to carry on a 3/3 vote.

ACTION: It was moved by Kopp, seconded by Denning, to approve Legal Counsel's petition for rehearing; motion passed, 4-2 (Ashe and Bruschera.)

5) RESOLUTION COMMENDING EDMOND J. WALSH ON OCCASION OF HIS RETIREMENT FROM RETIREMENT SYSTEM:

ACTION: It was moved by DeMerritt, seconded by Kopp, to adopt a resolution commending Edmond J. Walsh on the occasion of his retirement from the Retirement System; motion passed, 6-0. (Resolution herewith attached to these minutes.)

NOTE: Commissioner Bruschera left the meeting at this point.

GENERAL MANAGER'S REPORT

1. REPORT RE EQUITY INVESTMENT MANAGER CONTRACTS:

Staff advised the Board that the Civil Service Commission had given final approval to the third Equity Investment Manager contract (CIMCO). Jack Stoufer, Chief Investment Officer, updated the Board on investment activities of the Equity Managers. Stoufer furnished the Board a statistical report on the equity portion of the portfolio.

2. REQUEST FOR APPROPRIATION TO CONDUCT ADVERTISING FOR INVESTMENT DIVISION POSITIONS:

Staff informed the Board of current activities with respect to staffing the Investments Division. The Board was advised that the General Manager will give the Board a comprehensive report at a future Board meeting on Investment Division staffing requirements and recommendations for the recruitment and appointment of professional investment personnel.

3. REPORT RE STATUS OF PROPOSED CHARTER AMENDMENTS:

Staff submitted a written report to the Board on the current status of proposed charter amendments affecting the Retirement System. The Board's Consulting Actuary, William Smith, submitted an actuarial cost analysis of a proposed charter amendment establishing a fixed rate of contribution for miscellaneous members covered under charter section 8.509.

The Board reviewed and discussed Mr. Smith's analysis and recommendations and took the following action:

It was moved by DeMerritt, seconded by Denning, that the Retirement Board endorses and supports the concept of an 8% fixed rate of contribution (7½% base rate and one-half percent cost of living rate) for miscellaneous members covered under Section 8.509; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

ITEM

1. APPROVE CONTRACT FOR CONSULTING ACTUARY, MILLIMAN AND ROBERTSON, FOR PERIOD JULY 1, 1982 THROUGH DECEMBER 31, 1982:

ACTION: It was moved by Weisberg, seconded by Denning, to approve Consulting Actuary contract for period July 1, 1982 THROUGH December 31, 1982, in the amount of $5,000; motion passed, 5-0.

2. APPROVE CONTRACT FOR ACTUARIAL VALUATION OF RETIREMENT SYSTEM FOR PLAN DATA AS OF JUNE 30, 1982 - TO BE COMPLETED JUNE 30, 1983:

ACTION: It was moved by Weisberg, seconded by Denning, to approve contract for actuarial valuation of Retirement System in the amount of $50,000; motion passed, 5-0.

It was moved by Kopp, seconded by DeMerritt, to authorize the Consulting Actuary to make an acturial valuation of

the Retirement System for plan data as of June 30, 1982, to be completed June 30, 1983; motion passed, 5-0.

3. REPORT TO BOARD RE ACTION OF FINANCE COMMITTEE RECOMMENDING THAT RETIREMENT SYSTEM DETERMINE FEASIBILITY OF RELOCATING AT SAN FRANCISCO GENERAL HOSPITAL:

Staff informed the Board that the Finance Committee of the Board of Supervisors was withholding approval of interim funds for payment of office rent pending a determination of the feasibility of moving the Retirement System to San Francisco General Hospital. Mr. Kopp, as President of the Board of Supervisors, stated that he would look into the matter and report back to the Board. Mr. Kopp left the meeting at this point.

Following further discussion of the item, it was moved by Weisberg, seconded by DeMerritt, that it is the Board's position that the Finance Committee approve interim funds for payment of office rent and that the Board is willing to consider any reasonable relocation in the future; motion passed, 4-0.

4. REQUEST TO CHANGE DATE OF SERVICE RETIREMENT FROM JULY 1, 1982 TO JULY 14, 1982:

Curtis E. Green

ACTION: It was moved by DeMerritt, seconded by Denning, to approve change in date of service retirement; motion passed 4-0.

5. REQUEST TO CHANGE DATE OF SERVICE RETIREMENT FROM JULY 3, 1982 TO JULY 7, 1982:

Peter H. Allen

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve change in date of service retirement; motion passed, 4-0.

6. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Mario Avendano - $360.04

ACTION: It was moved by Denning, seconded by DeMerritt, to approve settlement of disputed claim; motion passed, 4-0.

7. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Henry Garfield

ACTION: It was moved by Denning, seconded by Weisberg, to approve withdrawal of funds; motion passed, 4-0.

8. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Nathaniel Thierry - $1,000.00

ACTION: It was moved by DeMerritt, seconded by Denning, to approve settlement of disputed claim; motion passed, 4-0.

At this point in the meeting, Clare Murphy provided Board members a copy of the Consulting Actuary's Experience Analysis of the Retirement System as of June 30, 1980, and Actuarial Valuation of the System as of June 30, 1981.

There being no further business, the Board adjourned its meeting at 4:10 p.m.

Respectfully submitted,

G. M. DeMerritt
Acting Secretary

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Olga Hayes Schmitt

RESOLUTION

WHEREAS, Edmond J. Walsh, Retirement Board Actuary, has elected to retire from City and County Service, effective July 1, 1982, and

WHEREAS, on July 1, 1982, Edmond J. Walsh brings to a close over thirty-two years of dedicated, faithful and loyal service to the City and County of San Francisco, two and one-half years of which is credited service as a Recreation Director for the Recreation-Park Department and the remainder, nearly thirty years, as an employee of the Retirement System, and

WHEREAS, on February 9, 1953, Edmond J. Walsh began his illustrious career in the Retirement System as a Junior Actuary; as a Management Assistant in 1961; as an Assistant Actuary in 1963; and, finally, by appointment of the Retirement Board as Actuary on April 1, 1968.

WHEREAS, during the ensuing years as Retirement Board Actuary, Edmond J. Walsh rendered distinguished service to all Active and Retired Members of the Retirement System, accumulating during his years of service a vast, thorough and comprehensive knowledge of the complexities and mechanics of the Retirement System, and

WHEREAS, during his long, dedicated service to the City and County of San Francisco, Edmond J. Walsh also served his fellow employees in the capacity of Trustee of the Civil Service Association of San Francisco and as a member of the Supervisory Committee of the San Francisco City Employees Credit Union, NOW

THEREFORE, BE IT RESOLVED, that the Retirement Board of the City and County of San Francisco, together with the General Manager and Staff of the Retirement System, congratulate Edmond J. Walsh on the occasion of his retirement from City and County Service and, in recognition of his outstanding contribution to the success of the Retirement System during the past thirty years, extend sincere and fond appreciation and gratitude, and

BE IT FURTHER RESOLVED, that the Retirement Board and Staff wish Edmond J. Walsh a long, happy and rewarding retirement.

This resolution was duly presented to and adopted by the Retirement Board on the thirteenth day of July in the year One Thousand Nine Hundred and Eighty Two.

PETER D. ASHE
President, Retirement Board

DANIEL MATTROCCE
General Manager

SF

RETIREMENT BOARD

Minutes

REGULAR MEETING

AUGUST 17, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Meta K. Stanley	Commissioner
	Quentin L. Kopp	President, Board of Supervisors

MINUTES Regular Meeting, July 13, 1982

ACTION: Approved

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 3-82.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Garnet Franklin

c) SETTLEMENT OF DISPUTED CLAIM: W.C.A.B. - COMPROMISE AND RELEASE:

Clifton Turner - $1,100.00

d) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Charles Collins

e) STAFF REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Gus Coreris

f) STAFF REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Eugene C. Reed

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Lionel A. Powell - $500.00

ACTION: It was moved by Bruschera, seconded by Weisberg, to approve Consent Calendar; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. INVESTMENT MEASUREMENT REVIEW - CALLAN ASSOCIATES:

   Representatives of Callan Associates submitted a written report to the Board on the statistical and comparative investment data of the Retirement System for the period July 1, 1981-June 30, 1982. The report was reviewed and discussed by the Board.

2. REQUEST TO INCREASE ANNUAL FEE OF CALLAN ASSOCIATES FOR INVESTMENT MEASUREMENT SERVICE:

   This request, to increase the annual fee from $26,000 to $31,000, effective July 1, 1982, was put over to the next meeting pending preparation of an appropriate Board Resolution.

3. REQUEST FOR INCREASE IN CUSTODIAN SERVICE FEES -

   Crocker National Bank:

   Request over to next meeting pending further discussion with Crocker Bank officials and preparation of an appropriate Board Resolution.

4. PRIVATE PLACEMENT OFFERING -

   Wind Energy Financing, Inc.:

   Jack Stoufer, Chief Investment Officer, presented information to the Board regarding a private placement offering for Wind Energy Financing, Inc.

   ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve purchase of the private placement offering of Wind Energy Financing, Inc., contingent on Legal Counsel's approval of the contract of Wind Energy Financing, Inc. with PG&E and confirmation that insurance company involved in project has an A+ rating or better; motion passed, 5-0.

5. Mr. Stoufer advised the Board that the Federal Deposit Insurance Corporation had authorized the payment of 50% of the System's $900,000 holding of the Franklin National Bank 4 3/4% capital notes due in 1988.

GENERAL MANAGER'S REPORT

The General Manager spoke to the Board regarding correspondence received from and a meeting held with personnel of the Public Pension Investment Project (PPIP). The General Manager spoke to the issues contained in a report of the PPIP.

Ms. Susan Mulloy of the PPIP also addressed the Board on the report.

The Board engaged in a question and answer period, following which the General Manager summarized his opinion and recommendations regarding the report.

NOTE: Dr. Weisberg left at this point in the meeting.

REGULAR CALENDAR

ITEM

1) Item No. 12 of the Supplemental Calendar was called out of order to allow Counsel for the member to be heard:

12. HEARING OFFICER DECISION RE ROUMAY OLIVIER, JR.
9163 Transit Operator - Municipal Railway

Petition for Rehearing - DENIED

Request to Initiate Legal Action

ACTION: Following a review and discussion of the item by the Board, the Board's Legal Counsel and the applicant's attorney, William R. Bremer, the request to initiate legal action was put over to the Board's next meeting pending resolution of the matter internally.

2) REQUEST TO WITHDRAW VESTED FUNDS:

Orville I. Wright

ACTION: Following a review of the item between staff and the Board, it was moved by Bruschera, seconded by Denning, to refer the item back to staff for further determination; motion passed, 4-0.

3) HEARING OFFICER DECISIONS:

a) GREEN, Jerome L.
Fire Department - Lieutenant
Industrial Disability Retirement
Effective Date - April 8, 1982 GRANTED

b) HOHNDORF, Ernest
Fire Department - Battalion Chief
Industrial Disability Retirement
Effective Date - July 15, 1981 DENIED

c) KEATING, Michael J.
Fire Department - Firefighter
Determination
Absence from May 11, 1981 to June 10, 1981 DENIED

d) KEENAN, Roger D.
Police Department - Police Officer
Determination
Absence from May 17, 1980 to June 21, 1980 DENIED

e) LEARY, John P.
Fire Department - Firefighter
Industrial Disability Retirement
Effective Date - April 11, 1982 GRANTED

f) MEDLY, Alicia
Controller's Office - Sr. Accountant
Ordinary Disability Retirement
Effective Date - November 21, 1981 GRANTED

g) MURPHY, Francis J., III
Police Department - Police Officer
Determination
Absence from January 1, 1981 to February 1, 1981 DENIED

h) NOVAK, Lawrence
Police Department - Police Officer
Determination and Reimbursement of
Self-incurred Medical Bills
Absence from November 29, 1980 to
November 29, 1981 DENIED

i) RAMSEY, Leon, Jr.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - April 1, 1981 GRANTED

j) WILLIAMS, Clarence
Police Department - Police Officer
Industrial Disability Retirement
Effective Date - July 29, 1982 GRANTED

k) WILSON, Theodis
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - January 1, 1982 GRANTED

l) WYATT, Theron J.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - November 1, 1981 GRANTED

m) ZENSUIS, John C.
Fire Department - Lieutenant
Industrial Disability Retirement
Effective Date - February 6, 1981 DENIED

n) SHERRATT, Robert H.
Fire Department - Asst. Fire Chief
Petition for Rehearing DENIED

ACTION: It was moved by Bruschera, seconded by Denning, to accept the Hearing Officer's decisions; motion passed, 4-0.

4) PROPOSED CHARTER AMENDMENTS FOR NOVEMBER 1982 ELECTION:

a) Section 8.509

b) Section 8.514-1

ACTION: Due to lack of the required five (5) affirmative votes necessary to approve pending legislation, the Board ordered this item over to its next meeting.

5) REPORT REGARDING INITIATIVE ESTABLISHING THIRD TIER RETIREMENT PLAN FOR POLICE OFFICERS:

Clare Murphy updated the Board on the status of the initiative being circulated to establish a third tier retirement plan for police officers.

In conjunction with this report, the Board took out of order Item No. 1 of the Supplemental Calendar.

CONTRACT TO CONDUCT COST REPORT RE INITIATIVE ESTABLISHING THIRD TIER POLICE RETIREMENT PLAN: Milliman and Robertson - $10,000

ACTION: It was moved by Bruschera, seconded by Denning, to approve a contract authorizing the Consulting Actuary to conduct a cost study of the Police Initiative establishing a third tier retirement plan, said contract to provide for a cost of $10,000; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

ITEM

1. HEARING OFFICER CASE REPORT - Fiscal Year 1981-82:

   ACTION: No action; Board information only.

2. BALLOT ARGUMENT IN FAVOR OF PROPOSITION H (Fixed Rate of Contribution for Members Covered Under 8.509)

   ACTION: It was moved by Bruschera, seconded by Denning, to approve the ballot argument; motion passed, 4-0.

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Margaret V. Thomas

   ACTION: It was moved by Bruschera, seconded by Denning, to deny the request; motion passed, 4-0.

4. VOLUNTARY SERVICE RETIREMENT LIST, NO. 4-82:

   ACTION: It was moved by DeMerritt, seconded by Bruschera, to approve Voluntary Service Retirement List, No. 4-82, as corrected by staff; motion passed, 4-0.

5. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

William E. Posada - $1,451.55

ACTION: It was moved by DeMerritt, seconded by Bruschera, to approve settlement; motion passed, 4-0.

6. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Vernnel S. Smith - $241.70

ACTION: It was moved by DeMerritt, seconded by Denning, to approve settlement; motion passed, 4-0.

7. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Stanley T. Hughes - $2,863.98

ACTION: It was moved by Bruschera, seconded by Denning, to approve settlement; motion passed, 4-0.

8. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Arthur Bertrand - $2,114.35

ACTION: It was moved by DeMerritt, seconded by Bruschera, to approve settlement; motion passed, 4-0.

9. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Richard Thompson, Jr. - $1,536.14

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve settlement; motion passed, 4-0.

There being no further business, the Board adjourned its meeting at 3:10 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Richard Walker

August 17, 1982

RETIREMENT BOARD

Minutes

REGULAR MEETING

AUGUST 31, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Quentin L. Kopp	President, Board of Supervisors
ABSENT	Meta K. Stanley	Commissioner

MINUTES Regular Meeting, August 17, 1982

ACTION: Approved

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 5-82

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Robert H. Davis

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
William N. Wine

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Li-Tak Louie

e) CORRECTION OF BIRTHDATE - Clenny J. Thierry
From August 9, 1935 to August 9, 1933

f) CORRECTION OF BIRTHDATE - Tito Gallegos
From July 18, 1927 to July 18, 1923

g) SETTLEMENT - W.C.A.B. - COMPROMISE AND RELEASE:
James L. Gray - $1,000.00

ACTION: It was moved by Denning, seconded by Bruschera, to approve Consent Calendar; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. PRESENTATION RE PROSPECTIVE PURCHASE OF STATE OF ISRAEL BONDS:

   At the request of Mr. Irwin Feinroth his presentation on State of Israel Bonds was taken off calendar.

   ACTION: There being no objection, to be re-calendared for October 26, 1982 meeting.

2. REQUEST TO INCREASE FEES FOR CUSTODIAN SERVICES:

   Crocker National Bank

   Mr. William Sumner, Vice-President and Trust Officer of Crocker National Bank explained the reasons for requested increase in fees.

   ACTION: After discussion by the Board, it was moved by Denning, seconded by Weisberg, that the increase in fees be approved in accordance with attached resolution; motion passed, 5-0.

3. REQUEST FOR AUTHORITY TO INCREASE PARTICIPATION IN PRIVATE PLACEMENT OF SEARS, ROEBUCK & CO. LESSEE:

   Jack Stoufer, Chief Investment Officer, discussed his reasons for his request for authority to increase the System's participation in the private placement of Sears, Roebuck & Co. Lessee.

   (Mr. Kopp arrived at 10:35 during discussion on this item.)

   Mr. Stoufer explained that at this time he is merely requesting authority to proceed and if circumstances are appropriate, the Board would later be requested to approve purchase.

   ACTION: It was moved by Kopp, seconded by Weisberg, that Staff pursue commitment to obtain additional purchase of the Private Placement, Sears, Roebuck & Co. Lessee; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1) REQUEST TO WITHDRAW VESTED FUNDS:

Orville I. Wright

Clare Murphy explained to the Board that there was no objection from the Staff to approve the request. Dan Maguire has also expressed the opinion that the Board could approve such a request. (Opinion attached)

ACTION: After discussion, on motion by Kopp, seconded by Bruschera, request to withdraw vested funds was approved with stipulation that Mr. Wright sign an acknowledgement of receipt of funds; motion passed, 6-0.

2) HEARING OFFICER DECISION RE ROUMAY OLIVIER, JR.
9163 Transit Operator - Municipal Railway

Petition for Rehearing - DENIED

Request to Initiate Legal Action

ACTION: Continued for response from Civil Service.

3) REQUEST TO ADJUST RETIREMENT ALLOWANCE - W.C.A.B. RATING:

Verne W. Rohme

Dan Maguire explained to the Board that a Findings and Award had been issued by the W.C.A.B. and it would be appropriate to adjust Mr. Rohme's retirement allowance from 50% to 55%.

ACTION: Ballots were taken and adjustment was approved, 6-0.

4) CHARTER AMENDMENTS - NOVEMBER 2, 1982 ELECTION:

a) Proposition "H" (Section 8.509)

Clare Murphy informed the Board Jay Patterson, Registrar of Voters, had refused to allow the Retirement Board to endorse the ballot arguments in favor of Proposition "H". Mr. Mattrocce stated that he had directed a letter to Mr. Patterson indi-

cating his protest to Mr. Patterson's action and request that the Retirement Board be permitted to endorse the ballot argument.

ACTION: After discussion, Staff was instructed to contact Mr. Patterson to ascertain if the Board would be permitted to endorse the ballot argument.

It was moved by Weisberg, seconded by Denning that the Retirement Board supports Proposition "H" and the Staff was requested to write supporting argument for inclusion in the Voters Handbook; motion passed, 6-0.

Mr. Ashe also requested that Supervisor Kopp, as President of the Board of Supervisors, to investigate Mr. Patterson's authority to refuse to allow the Retirement Board to endorse Proposition "H".

b) Proposition "E" (Section 8.514-1)

John Simpson and William Reed, representing Retired Employees of the City and County of San Francisco were present. Mr. Simpson explained to the Board that since the November, 1981 election, Proposition "E" had been amended, specifically, paragraph 3 and 4. The Board was requested to support Proposition "H".

Clare Murphy explained the reasons for the cost estimate in the Controller's Statement with reference to Proposition "H".

ACTION: After discussion and due consideration, motion by Bruschera, seconded by Kopp, to support Proposition "H"; motion was defeated. Yes: Ashe, Bruschera, DeMerritt, Kopp. No: Denning, Weisberg

(Board Rules require five (5) affirmative votes for approval on legislative matters.)

5) HEARING OFFICER DECISIONS:

a) DINEEN, Robert J.
S.F. Unified School District - 2708 Custodian
Ordinary Disability Retirement
Effective Date - December 5, 1979 GRANTED

b) HERBERT, JR., Eno
Muni - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date - April 1, 1981 GRANTED

c) MARSH, Robert J.
Fire - Q80 Captain
Industrial Disability Retirement
Effective Date - May 11, 1981 DENIED

d) MAZZUCCO, Thomas
Police - Q2 Police Officer
Determination
Absence January 1, 1981, January 26 through
January 30, 1981, February 25 and 26, 1981
April 2, 1981 to and including April 22, 1981 DENIED

e) PECK, Theodore C.
Police - Q2 Police Officer
Industrial Disability Retirement
Effective Date - March 3, 1982 DENIED

f) SPELMAN, Stephen B.
Police - Q60 Lieutenant
Industrial Disability Retirement
Effective Date - March 19, 1980 GRANTED

ACTION: It was moved by Bruschera, seconded by Denning, to accept the Hearing Officer's decisions; motion passed, 6-0.

GENERAL MANAGER'S REPORT

ITEM

1. REPORT RE BALLOT ARGUMENT IN FAVOR OF PROPOSITION "H" ON NOVEMBER 2nd, 1982 BALLOT:

This item was previously discussed together with Item 4 (B) on the Regular Calendar.

2. REPORT RE LEGAL ACTION TAKEN TO STAY CONSULTING ACTUARY'S ACTUARIAL COST DETERMINATION OF INITIATIVE ESTABLISHING THIRD TIER POLICE RETIREMENT PLAN:

Dan Maguire explained to the Board that the San Francisco Police Officers Association have filed a law suit challenging the Controller's statement and cost estimate for the Initiative.

No discussion. Presented for information only.

SUPPLEMENTAL CALENDAR

ITEM

1. W.C.A.B. - COMPROMISE AND RELEASE

   Stephanie J. Foote - $750.00

   ACTION: Motion by Kopp, seconded by Bruschera, to approve Compromise and Release; motion passed, 6-0.

2. W.C.A.B. - COMPROMISE AND RELEASE

   William D. Handelaman - $3,250.00

   ACTION: Motion by Kopp, seconded by Weisberg, to approve Compromise and Release; motion passed, 6-0.

There being no further business, the Board adjourned its meeting at 12:25 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Rebecca Luce

August 31, 1982

July 13, 1982

San Francisco Retirement Board
770 Golden Gate Avenue
San Francisco, California 94102

Re: Member No. 37073; Orville I. Wright

Gentlemen:

This letter is to request consideration by the Retirement Board of my request to be allowed to withdraw my contributions and interest in order that my wife and I may be in a position to purchase a retirement home in Northern California.

My contributions and interest to date amount to some $ 26,000.00, according to Retirement System staff, and I am currently entitled to commence to draw a retirement annuity. However, the monthly benefits which I would receive by way of an annuity would not allow the cash payment necessary to the acquisition of a residence.

I have been informed by your staff that a contribution equal to my own accumulations in the fund would be made in the event that I would elect to take a retirement allowance. Nonetheless, my financial circumstances would be detrimentally affected with an annuity instead of the cash that we require at the present time.

Thank you for your anticipated favorable review of this request.

Yours very truly,

Orville I. Wright

Orville I. Wright
7 East Altarinda Drive
Orinda, CA 94563

GEORGE AGNOST
CITY ATTORNEY
770 GOLDEN GATE AVENUE, RM. 230
SAN FRANCISCO, CA 94102
(415) 558-5366

RETIREMENT-WORKERS' COMPENSATION DIVISION

DAN MAGUIRE
EDWARD J. ROTHMAN
SUSAN DALY COMMINS
ROBERT H. FRANK

August 25, 1982

TO: CLARE MURPHY

FROM: DAN MAGUIRE

RE: Orville I. Wright
Ret. No. 37073

The above member terminated City employment and elected to "vest" on January 8, 1970. To this date, Mr. Wright has declined a monthly allowance even though he first became eligible to receive a monthly benefit on April 29, 1973. Mr. Wright now seeks to withdraw his contributions plus interest.

Charter Section 8.509(F) specifies that Mr. Wright's initial election to "vest" was "without right of revocation". I would interpret this to mean that Mr. Wright does not have the unilateral power to rescind his action.

On prior occasions the Retirement Board has consented to allow a member to withdraw his monies after "vesting".

I am of the opinion that it is within the power of the Retirement Board to allow Mr. Wright to withdraw his account balance. There can be no adverse selection in this situation since the System is saving money ($26,000.00) in not being required to match the member's account balance.

The above opinion is predicated on the member being fully counseled regarding the benefits he is relinquishing and being advised to seek independent advice as to any tax consequences.

D. M.

DM:hg

Retirement Board Resolution - August 31, 1982

Whereas the Retirement Board has deemed it advisable and prudent to enter into a contract dated August 21, 1980 with Crocker National as custodian for the Retirement System's assets;

Whereas the compensation to Crocker National Bank as per the contract is computed on both a market value basis plus established flat fees

Whereas the Retirement Board has engaged the services of three non-staff investment managers of the equity portion of the System's portfolio on a fully discretionary basis in addition to the in-house management of the fixed income

Therefore Be It Resolved the flat fee be increased by $20,000 annually effective July 1, 1982 to be paid quarterly

Further resolved transaction charges will not take place on the first 2500 transactions, rather than the 2000 earlier prevailing annual limit.

RETIREMENT BOARD

REGULAR MEETING

Minutes

SEPTEMBER 14, 1982 10:00 A.M.

PRESENT	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Peter D. Ashe	President
	Meta K. Stanley	Commissioner
	Quentin L. Kopp	President, Board of Supervisors

MINUTES Regular Meeting, August 31, 1982

ACTION: Approved

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) CORRECTION OF BIRTHDATE - Patricia Urquhart Garcia

From August 29, 1933 to August 29, 1932

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1) REQUEST TO ADJUST RETIREMENT ALLOWANCE - W.C.A.B. RATING:

Robert Hoch

ACTION: The Board conducted a ballot vote on this item, resulting in a vote of 4-0 to adjust Robert Hoch's retirement allowance from 50% to 55%.

2) REQUEST TO ADJUST RETIREMENT ALLOWANCE - W.C.A.B. RATING:

Robert Donnelly

ACTION: Continued pending availability of Counsel for Applicant.

3) HEARING OFFICER DECISIONS:

a) CHIRKOFF, Alexander J.
Department of Social Services-Eligibility Supervisor
Ordinary Disability Retirement
Effective Date - March 24, 1982 GRANTED

b) COTTONHAM, Richard
Muni - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date - June 1, 1981 DENIED

c) FORD, Charles H.
Muni - 9163 Transit Operator
Effective Date - March 1, 1981 GRANTED

ACTION: It was moved by Weisberg, seconded by DeMerritt, to accept the Hearing Officer decisions; motion passed, 4-0.

4) REQUEST FOR RECONSIDERATION - ADJUSTMENT OF RETIREMENT ALLOWANCE:

George Kartinos

Mr. Kartinos was represented by Counsel, John B. Molinari, Esq. Mr. Molinari requested that the Board reconsider its action of June 29, 1982, denying Mr. Kartinos' request for an adjustment in his retirement allowance by including wages amounting to $2,653.92.

Dan Maguire, Legal Counsel, and Clare Murphy responded on behalf of the Retirement System, following which the Board took the following action:

ACTION: It was moved by Weisberg, seconded by Bruschera, to deny the request for reconsideration of the Board's decision of June 29, 1982; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Margaret V. Thomas

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the request to withdraw $1,000.00; motion passed, 4-0.

GENERAL MANAGER'S REPORT

The General Manager reported on the following matters:

1. That he was in receipt of a letter and report from Bruce Poyer, Coordinator, Center For Labor Research and Education, Institute of Industrial Relations, University of California, regarding his service on the Board of Directors of the Public Pension Investment Project and the report of the PPIP on investment practices of the San Francisco Retirement System. This matter will be reviewed and discussed by the Board at a future meeting.

2. That he was also in receipt of a letter from Tasmin Taylor of the Public Pension Investment Project relative to a meeting held between staff and representatives of PPIP. This matter will also be reviewed and discussed at a future Board meeting.

3. That he had received a response from Callan Associates relative to a requested increase in measurement reporting services fees.

   The Board reviewed and discussed the requested increase in fees and took the following action: It was moved by Weisberg, seconded by Bruschera, to approve a $31,000 annual fee for payment to Callan Associates for quarterly investment measurement reporting services, said fees to be paid from soft dollar accounts; motion passed, 4-0.

BOARD MEMBERS

Jack Stoufer, Chief Investment Officer, took this occasion to introduce to the Board Mr. Lewis A. Burleigh, Esquire, from the law firm of Csaplar & Bok. Mr. Burleigh has been retained by the Investments Division to advise the Division and the Board on legal matters pertaining to the Wind Energy Financing Project. Mr. Burleigh briefly addressed the Board on this matter.

There being no further business, the Board adjourned its meeting at 11:30 a.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Carolyn M. Wilson

September 14, 1982

RETIREMENT BOARD

Minutes

REGULAR MEETING

SEPTEMBER 28, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Quentin L. Kopp	President, Board of Supervisors

MINUTES Regular Meeting, September 14, 1982

ACTION: Approved

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, No. 6-82, No. 7-82

b) CORRECTION OF BIRTHDATE - Clyde S. Bazy

From August 19, 1921 to August 19, 1920

c) W.C.A.B. - COMPROMISE AND RELEASE:

Robert Woods - $2,225.00

d) W.C.A.B. - COMPROMISE AND RELEASE:

Gloria Guice - $2,500.00

e) APPLICATION TO NAME MARY A. CLARK, DOMESTIC PARTNER COMPANION AS BENEFICIARY WITH AN "INSURABLE INTEREST" IN THE LIFE OF LILLIAN C. SHEASLEY.

f) APPLICATION TO NAME LILLIAN C. SHEASLEY, DOMESTIC PARTNER COMPANION AS BENEFICIARY WITH AN "INSURABLE INTEREST" IN THE LIFE OF MARY A. CLARK.

ACTION: It was moved by Weisberg, seconded by Denning, to approve the Consent Calendar; motion passed, 7-0.

INVESTMENTS CALENDAR

ITEM

1. PRESENTATION RE PROSPECTIVE PURCHASE OF STATE OF ISRAEL BONDS:

Mr. Irwin Feinroth and Mr. Gerald Schoem, officials of the Development Corporation For Israel, addressed the Board on this item and requested that the Board purchase Government of Israel Prime Rate Notes (State of Israel Bonds.) This was followed by a general discussion of the request by Board members and staff.

ACTION: It was moved by Kopp, seconded by Weisberg, to authorize the purchase of one million dollars of State of Israel Bonds; motion failed, 3 AYE, 4 NO (Ashe, Bruschera, Denning and Stanley.)

2. PRIVATE PLACEMENT PURCHASE: Albertson's, Inc.

Jack Stoufer, Chief Investment Officer, presented a written and oral report to the Board recommending the purchase of $4,500,000 principal amount of the notes being offered at par to yield 15.00%.

ACTION: It was moved by Denning not to purchase the private placement; motion died for lack of second. It was moved by Bruschera, seconded by Weisberg, to purchase the private placement as recommended; motion passed, 5-1 (Denning.) (Kopp not present for this item.)

REGULAR CALENDAR

ITEM

1) REQUEST TO ADJUST RETIREMENT ALLOWANCE - W.C.A.B. RATING:

Robert Donnelly

Dan Maguire, Legal Counsel, addressed the Board on this item, informing the Board of options available to the Board to adjust Mr. Donnelly's retirement allowance. George Engler, Esq. represented Mr. Donnelly and addressed the Board on behalf of Mr. Donnelly.

ACTION: It was moved by Weisberg, seconded by Kopp, that the ballot for determination of the per cent adjustment of Mr. Donnelly's retirement allowance be amended to provide "50% to 57½%" and that the question concerning the injury to Mr. Donnelly's right hip be referred to the Hearing Officer for determination; motion passed, 5-2 (Bruschera and DeMerritt.) The Board, then by ballot vote, adjusted Mr. Donnelly's retirement allowance to 57½%. The ballot vote was unanimous, 7-0.

NOTE: At Board meeting of October 12, 1982, above motion corrected to show that motion passed, 5-2 (Bruschera and Ashe.)

2) STAFF AND CONSULTANTS' EVALUATIVE REPORTS ON THE SEPTEMBER, 1982 "RESEARCH REPORT" FROM CENTER FOR LABOR RESEARCH, INSTITUTE OF INDUSTRIAL RELATIONS, UNIVERSITY OF CALIFORNIA, BERKELEY.

This item was in reference to a letter and report submitted to the Retirement System by Bruce Poyer, Coordinator, Center For Labor Research And Education, Institute of Industrial Relations, University of California regarding the report prepared by the Public Pension Investment Project on investment practices of the Retirement System.

There was widespread discussion of and comments on Mr. Poyer's letter and report; it was the consensus of the Board that the President of the Board and the General Manager will confer for the purpose of preparing appropriate correspondence in reply to Mr. Poyer's letter and report and that copies of said correspondence be distributed to appropriate persons and agencies.

Note: Mr. Kopp left at this point in the meeting.

GENERAL MANAGER'S REPORT

1. UPDATE ON WORKERS' COMPENSATION DIVISION

Staff rendered a written and oral report to the Board on the status of the consultants' investigation of claims management services in the Workers' Compensation Division. The Board will be furnished a final report on this matter at the Board's meeting of October 26, 1982.

2. ACCOUNTING STUDY

Staff rendered a written and oral report to the Board on the status of the authorization to contract with a firm to conduct a comprehensive study and analysis of the Retirement System's accounting system and practices.

There being no further business, the

Board adjourned its meeting at 1:45 P.M.

Respectfully submitted,

DANIEL MATTROCCE
Secretary

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Richard Walker

RETIREMENT BOARD

REGULAR CALENDAR

OCTOBER 12, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	Quentin L. Kopp	President, Board of Supervisors

MINUTES

Regular Meeting, September 28, 1982

ACTION: Item No. 1, Regular Calendar, corrected to show that Mr. Ashe, not Mr. DeMerritt, voted against motion made in the Robert Donnelly case. Minutes of meeting approved as corrected.

REGULAR CALENDAR

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 8-82.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Robert J. Mault

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

John W. Ross, Jr.

d) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Ronald J. Vernali

e) APPLICATION TO CORRECT DATE OF BIRTH:

John D. Santisteven

f) SETTLEMENT OF DISPUTED CLAIM: W.C.A.B. COMPROMISE AND RELEASE:

Kaiser Permanente (James Boyd) - $ 1,000.00

ACTION: It was moved by Stanley, seconded by Denning to approve Consent Calendar; motion passed, 7-0.

REGULAR CALENDAR

ITEM

1) REQUEST TO SUBSCRIBE TO DUFF & PHELPS INVESTMENT SERVICES:

Jack Stoufer, Chief Investment Officer, submitted a resolution to the Board, hereby attached to these minutes, resolving that the Retirement Board authorizes the expenditure of $ 19,000 annually, payable to Duff & Phelps, Inc., for investment reporting and information services.

ACTION: It was moved by Weisberg, seconded by Denning, to approve the resolution; motion passed, 6-1. (Kopp)

In conjunction with the resolution and following a general discussion of investment matters, it was moved by Bruschera, seconded by Kopp, that the next Quarterly Investment Meeting of the Board be held on November 16, 1982, starting at 9:00 A.M.; motion passed, 6-1 (Ashe).

2) HEARING OFFICER DECISIONS:

a) FOURNIER, Alfred F.
Muni - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date - January 1, 1982 GRANTED

b) GIAMBRA, Frank
Public Works Street Cleaning - Truck Driver
Ordinary Disability Retirement
Effective Date - September 1, 1981 GRANTED

c) HEKIMIAN, Myron A.
San Francisco Unified School District - Teacher
Ordinary Disability Retirement
Effective Date - March 1, 1982 GRANTED

d) PEDERSON, Kenneth A.
Public Works - 5772 Landscape Achitect
Ordinary Disability Retirement
Effective Date - June 11, 1981 GRANTED

e) VIDAL, Marie H.
Laguna Honda Hospital - 2324 Head Nurse
Ordinary Disability Retirement
Effective Date - January 1, 1982 GRANTED

f) WOLFF, Hilda H.
Community College District - Senior Clerk Typist
Ordinary Disability Retirement
Effective Date - July 1, 1982 GRANTED

Mr. Maguire, Legal Counsel, advised the Board that he had petitioned the Hearing Officer for rehearing of the decision re Marie H. Vidal. It was moved by Kopp, seconded by Bruschera, to ratify the petition for rehearing of the Marie H. Vidal case; motion passed, 7-0.

ACTION: It was moved by Bruschera, seconded by Kopp, that, with the exception of the Vidal decision, the Hearing Officer decisions be accepted; motion passed, 7-0.

SUPPLEMENTAL CALENDAR

NOTE: Dr. Weisberg not present for Items No. 1 thru 9.

ITEM 1) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Edward Bell - $1,000.00

ACTION: It was moved by Kopp, seconded by Bruschera, to approve settlement of disputed claim; motion passed, 6-0.

2) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Rudolph Brown - $ 800.00

ACTION: It was moved by Kopp, seconded by Denning, to approve settlement of disputed claim; motion passed, 6-0.

3) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Larry Del Carlo - $440.00

ACTION: It was moved by Kopp, seconded by Denning, to approve settlement of disputed claim; motion passed, 6-0.

4) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Patrick Driscoll - $ 1,150.00

ACTION: It was moved by Kopp, seconded by Bruschera, to approve settlement of disputed claim; motion passed, 6-0.

5) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Reginald Jones - $ 183.63

ACTION: It was moved by Kopp, seconded by Bruschera, to approve settlement of disputed claim; motion passed, 6-0.

6) SETTLEMENT OF DISPUTED CLAIM - W.C.A.B. COMPROMISE AND RELEASE:

Thomas Mazzucco $ 525.00

ACTION: It was moved by Kopp, seconded by Denning, to approve settlement of disputed claim; motion passed, 6-0.

7) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Marta McDowell - $ 1,300.00

ACTION: It was moved by Denning, seconded by Stanley, to approve settlement of disputed claim; motion passed, 6-0.

8) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Leonard Olsen - $ 600.00

ACTION: It was moved by Kopp, seconded by Bruschera, to approve the settlement of disputed claim; motion passed 6-0.

9) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Donna Pulliam - $ 450.00

ACTION: It was moved by Bruschera, seconded by Denning, to approve the settlement of disputed claim; motion passed 6-0.

NOTE: Dr. Weisberg returned to meeting.

10) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Randolph Tyler - $ 8,000.00

ACTION: Off calendar.

11) SETTLEMENT OF DISPUTED CLAIM W.C.A.B. COMPROMISE AND RELEASE: (DEATH BENEFIT)

Charles Wilson - $ 51,000.00

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve settlement of disputed claim; motion passed, 7-0.

12) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Thomas Primus - $ 2,800.00

ACTION: Off calendar.

13) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Roy Timmons - $ 1,500.00

ACTION: Off calendar.

14) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Delia Irey - $ 564.07

ACTION: It was moved by Kopp, seconded by Bruschera, to approve settlement of disputed claim, motion passed, 7-0.

GENERAL MANAGER'S REPORT

The following items and/or reports were presented to the Board by the General Manager.

1. In reference to the Bruce Poyer letter regarding the Public Pension Investment Project report (see Board minutes of 9-28-82), Mr. Mattrocce and Mr. Ashe informed the Board of contacts made in response thereto; it was the consensus of the Board that correspondence be directed to Mr. Poyer in opposition to his letter and report and that copies be sent to the Board of Regents of the University of California.

2. President Ashe made reference to a PERS Conference on South Africa (investments therein) to be held at Siverado on November 15-16, 1982; copies of the Conference announcement to be distributed to each Board member.

3. Mr. Mattrocce introduced Mr. Richard Perino, a representative of Probation Officers who, in said capacity, presented a resolution to the Board, which, as currently pending before the Board of Supervisors, would direct the Retirement System to prepare and submit an actuarial report on the costs of providing retirement benefits to various "safety" classes comparable to benefits provided "safety" members of PERS.

   Clare Murphy informed the Board of the major differences between current plan benefits and benefits of safety members under PERS.

   Following a general discussion of the intent and purpose of the resolution, it was moved by Weisberg, seconded by DeMerritt, to support the resolution currently pending before the Rules and Legislation Committee of the Board of Supervisors; motion passed, 5-0. (Denning and Kopp not present)

4. President Ashe addressed the Board regarding a letter, dated September 21, 1982, that William Smith, the Board's Consulting Actuary, had sent to Mayor Feinstein regarding pension costs and recommending establishment of a "task force" to review and study said costs. The Board and staff exchanged opinions and viewpoints with respect to the letter and its contents.

   Following a general discussion of Mr. Smith's letter, it was moved by Kopp, seconded by Denning, that Mr. Smith be notified in writing that henceforth any correspondence of the nature and kind addressed to Mayor Feinstein be brought to the attention of the Retirement Board prior to release of said correspondence; motion passed, 7-0.

5. Mr. Stoufer informed the Board that there will be a conference of California Pension Fund Administrators in Visalia, Ca., November 3-5, 1982.

It was moved by Kopp, seconded by Bruschera, to authorize a staff member to attend the conference; motion passed, 7-0.

SPECIAL ORDER

It was moved by Bruschera, seconded by DeMerritt, that the Board adjourn its meeting on this date in memory of Robert Callahan, recently deceased, a retired Firefighter who, for many years, appeared before the Retirement Board as a representative of Firefighters; motion passed, 7-0.

Supervisor Kopp took the occasion to memoralize Mr. Callahan and to extoll Mr. Callahan's long, superb and dedicated service to the City and County and, in particular, to his colleagues in the Fire Department.

There being no further business, the Board adjourned its meeting at 12:30 P.M. in memory of Robert Callahan.

Respectfully submitted,

DANIEL MATTROCCE
Secretary

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Becky Luce.

RESOLUTION

Whereas the Retirement Board has fiduciary stewardship of the varied investments of the San Francisco City and County Employees' Retirement System; and

Whereas these investments require continuing informed professional management; and

Whereas the Retirement Board deems it necessary to provide the investment staff with appropriate, reliable supporting investment services including information sources;

Therefore Be It Resolved the Retirement Board hereby engages the independent firm of Duff & Phelps, Inc. to provide such services at an initial annual fee of $19,000 (cancellable on 30 days notice).

By: Peter D. Ashe, President
San Francisco City & County
Employees' Retirement System Board

October 12, 1982

Minutes

RETIREMENT BOARD

REGULAR MEETING

OCTOBER 26, 1982 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Paul F. Denning	Vice-President
	Quentin L. Kopp	President, Board of Supervisors

MINUTES Regular Meeting, October 12, 1982

ACTION: Item No. 1, Regular Calendar, corrected to show that Mr. Ashe voted against motion to hold next Quarterly Investment Meeting on November 16, 1982. Minutes approved as corrected.

REGULAR CALENDAR

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Thomas Primus - $2,800.00

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Roy Timmons - $1,500.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Randolph Tyler - $8,000.00

d) VOLUNTARY SERVICE RETIREMENT LIST, NO. 9-82

ACTION: It was moved by Weisberg, seconded by Stanley, to approve Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1) CONSULTANTS' REPORTS REGARDING WORKERS COMPENSATION PROGRAM:

Mr. Ken Savage of Warren, McVeigh, Griffin & Savage, and Ms. Faith Lamberts of Alexander and Alexander, presented written and oral reports to the Board on the results of their study and investigation of the claims administration procedures and processes in the Workers Compensation Division. Following the presentations, the Board and Consultants engaged in a series of questions and answers regarding the reports and the various findings and recommendations contained therein.

Pending further review and analysis of the reports, the Board deferred action on a report from the General Manager and the Manager of Retirement Services recommending several options available to the Board regarding administration of the Compensation Division.

2) RESOLUTION REQUESTING EMERGENCY SUPPLEMENTAL APPROPRIATION: $224,683.00 - Workers Compensation Division

In conjunction with Item No. 1, above, staff presented a resolution to the Board requesting approval of an emergency supplemental appropriation in the amount of $224,683.00 to defray costs of operating the Workers Compensation Division for the period January 1, 1983 through June 30, 1983.

ACTION: It was moved by Weisberg, seconded by Stanley, to approve the resolution (see attached); motion passed, 5-0.

3) REQUEST TO APPROPRIATE $10,000.00 TO CONTINUE CONSULTANT SERVICES FOR THE COMPENSATION DIVISION ON AN "AS NEEDED" BASIS

ACTION: It was moved by Weisberg, seconded by Bruschera, to appropriate $10,000.00 to continue consultant services in the Compensation Division on an "as needed" basis; motion passed, 5-0.

4) HEARING OFFICER DECISIONS:

a) BECK, Roscoe C.
Public Works - #7514 General Laborer
Ordinary Disability Retirement
Effective Date - February 18, 1982 GRANTED

b) BREED, J. Scott
Civil Service Commission - Sr. Personnel Analyst
Ordinary Disability Retirement
Effective Date - January 1, 1982 DENIED

c) BRODIT, Carolina N.
Pub. Health #2908 Hospital Eligibility Worker
Ordinary Disability Retirement
Effective Date - September 1, 1982 GRANTED

d) HENRY, Calvin J.
SFUSD - School Custodian Supervisor
Ordinary Disability Retirement
Effective Date - November 4, 1981 DENIED

e) LAZARICH, John E.
Police - Q-2 Police Officer
Industrial Disability Retirement
Effective Date - October 1, 1981 DENIED

f) SHAPIRO, Irving W.
SFUSD - Teacher
Ordinary Disability Retirement
Effective Date - May 5, 1981 DENIED

g) URBIZTONDO, Emile
Juvenile Court - Supervisor of Probation Officers
Ordinary Disability Retirement
Effective Date - July 28, 1982 GRANTED

ACTION: It was moved by Bruschera, seconded by Stanley, to accept the Hearing Officer decisions; motion passed, 5-0.

INVESTMENT CALENDAR

ITEM

1. PROXY VOTE: Quaker Oats Company

ACTION: By ballot vote, the Board voted as follows:

Shareholder Proposals

		For	Against
a)	Disclosure of All Loaned Employees	0	5
b)	Retirement Benefit Limitation	4	1 (Weisberg)

2. CERTIFICATION OF AUTHORIZATION TO TRANSFER SECURITIES:

A resolution, herewith attached to these minutes, was presented to the Board for the purpose of designating signatory authority for transactions involving transfer of securities and related investment instruments.

ACTION: It was moved by Weisberg, seconded by Bruschera, to adopt the resolution; motion passed, 5-0.

GENERAL MANAGER'S REPORT

ITEM

1. UPDATE ON ACCOUNTING STUDY CONTRACTOR SELECTION

Mr. Mattrocce and Mr. Hernandez rendered an oral report to the Board on progress toward recommending to the Board selection of a contractor to conduct an accounting study of the Retirement System. Staff will present its recommendation(s) to the Board at its meeting of November 9, 1982. No action was taken on this item at this time.

2. CONFERENCE ON INVESTMENTS AND SOUTH AFRICA

Mr. Mattrocce distributed copies of an announcement of a Conference On Investments and South Africa to be in Napa Valley, November 14-16, 1982.

ACTION: It was moved by DeMerritt, seconded by Stanley, to authorize staff and/or Board members to attend the conference; motion passed, 5-0.

There being no further business, the Board adjourned its meeting at 12:45 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Olga Hayes Schmitt

October 26, 1982

CERTIFICATION OF AUTHORIZATION TO TRANSFER (GENERAL)

I, PETER D. ASHE, being duly constituted PRESIDENT of the RETIREMENT BOARD, or PAUL DENNING, ICE PRESIDENT, SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM, do hereby certify hat the following is a true and complete copy of resolution duly adopted at a meeting of the ETIREMENT BOARD, duly called and held on October 26, 1982, at which a quorum was present and oting; that said resolutions are still in full force and effect and have not been rescinded:

RESOLVED: that any of the following, to wit: DANIEL MATTROCCE, GENERAL MANAGER; JACK E. TOUFER, CHIEF INVESTMENT OFFICER; or ARNOLD K. MATTAY, ASSISTANT CHIEF OF INVESTMENTS, of the SAN RANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM, be and they are hereby fully authorized nd empowered to transfer, convert, endorse, sell, assign, set over and deliver any and all shares f stock, bonds, debentures, notes subscription warrants, stock purchase warrants, evidence of ndebtedness, exchange traded call option contracts, or other securities now or hereafter tanding in the name of or owned by this RETIREMENT SYSTEM, and to make, execute and deliver, under he seal of this RETIREMENT SYSTEM, or otherwise, any and all written instruments of assignment nd transfer necessary or proper to effectuate the authority hereby conferred.

FURTHER RESOLVED: that whenever there shall be annexed to any instrument of assignment and ransfer, executed pursuant to and in accordance with the foregoing resolution, a certificate of he PRESIDENT or VICE PRESIDENT of this RETIREMENT BOARD in office at the date of such ertificate, and such certificate shall set forth these resolutions and shall state that these esolutions are in full force and effect, and shall also set forth the names of the persons who re then members of this RETIREMENT BOARD, then all persons to whom such instrument with the nnexed certificate shall thereafter come, shall be entitled, without further inquiry or nvestigation and regardless of the date of such certificate, to assume and to act in reliance pon the assumption that the shares of stock or other securities named in such instruments were heretofore duly and properly transferred, endorsed, sold assigned, set over and delivered by his RETIREMENT SYSTEM, and that with respect to such securities the authority of these esolutions and of the persons above named is still in full force and effect.

I hereby certify that the following is a true and correct list of the present members of the ETIREMENT BOARD.

PETER D. ASHE	President	WARREN J. DeMERRITT	Member
PAUL DENNING	Vice President	RAYMOND L. WEISBERG, M.D.	Member
		META K. STANLEY	Member
		QUENTIN KOPP	Member

Dated: Oct. 26, 1982 (Arnold)
(Signed)

RESOLUTION

That an Emergency Supplemental Appropriation in the amount of $ 224,683.00 be approved by the Retirement Board for the purpose of funding the Workers Compensation Program through June 30, 1983.

By: Rudolph Hernandez
Manager Retirement Services

October 26, 1982 : Approved by Retirement Board

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

NOVEMBER 9, 1982 - 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
ABSENT	Leon Bruschera	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Quentin L. Kopp	President, Board of Supervisors

MINUTES Minutes of Regular Meeting, October 26, 1982

ACTION: Approved as submitted

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 10-82

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Ramona J. Kounter

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Robert M. Lavell

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Car Lee Allen

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
David German

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
John G. Sweeney - $2,000.00

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
William S. Tummins - $5,000.00

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Daniel Knight - $2,500.00

i) SETTLEMENT OF DISPUTED CLAIM - W.C.A.B. COMPROMISE AND RELEASE:
Stephen Bauer and David Slyter - $2,500.00 each

j) SETTLEMENT OF DISPUTED CLAIM - W.C.A.B. COMPROMISE AND RELEASE:

John McCarthy - $25,000.00

ACTION: It was moved by Stanley, seconded by Denning, to approve the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1) REPORT RE EVALUATION AND RECOMMENDATION OF ACCOUNTING SYSTEM UPGRADE:

Rudy Hernandez and staff rendered a written and oral report to the Board on proposals to conduct a study and evaluation of the Retirement System's accounting system. In addition, staff submitted an analysis of bid proposals from outside contractors and, on the basis thereof, recommended the selection of a contractor.

ACTION: It was moved by DeMerritt, seconded by Denning, to approve the staff's recommendation that Arthur Andersen and Company be selected as contractor to upgrade the accounting system; motion passed, 4-0.

2) HEARING OFFICER DECISIONS:

a) ARAMBULA, Richard A.
Police - Q-2 Police Officer
Industrial Disability Retirement
Effective Date - March 5, 1979 GRANTED

b) BIGARANI, William
Police - Q-380 Inspector
Industrial Disability Retirement
Effective Date - February 11, 1982 DENIED

ACTION: It was moved by Denning, seconded by Stanley, to accept the Hearing Officer decisions with the understanding that staff will petition for a rehearing of the Arambula decision; motion passed, 4-0.

3) SETTLEMENT OF DISPUTED CLAIM - W.C.A.B. RATING:

Louis D. Sylvestri - 71½%

ACTION: It was moved by Denning, seconded by DeMerritt, to adjust Sylvestri's disability retirement allowance to 71½%; by ballot vote, the motion passed, 4-0.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - W.C.A.B. COMPROMISE AND RELEASE:

Alberta Sullivan - $1,600.00

ACTION: It was moved by Stanley, seconded by Denning, to approve the settlement; motion passed, 4-0.

2. SETTLEMENT OF DISPUTED CLAIM - W.C.A.B. COMPROMISE AND RELEASE:

Scott Smith (Harvey Milk, deceased) - $31,500.00

ACTION: It was moved by Stanley, seconded by DeMerritt, to approve the settlement, as follows: Scott Smith, $5,500.00; State of California (Subsequent Injury Fund), $26,000.00; motion passed, 3-1 (Denning)

GENERAL MANAGER'S REPORT

ITEM

1. 1981-82 ANNUAL REPORT:

The General Manager discussed and reviewed with the Board the Retirement System's 1981-82 Annual Report; several suggestions were made by Board members, which will be incorporated in next year's annual report.

2. RESULTS OF NOVEMBER 2, 1982 ELECTION:

The General Manager discussed and reviewed with the Board the results of the November 2, 1982 election, in particular the propositions on the municipal ballot. President Ashe complimented Commissioner Denning and staff for their efforts in securing a substantial YES vote on Proposition "H", a Retirement System charter amendment.

BOARD MEMBERS

President Ashe made the following announcements:

a) That the Board's next meeting, November 16, 1982 (Quarterly Investment Meeting)will begin at 9:00 a.m.

b) That he would like calendered at the Regular Meeting of November 30th, 1982, a discussion regarding the Board's vacant position of Actuary.

c) That, in regard to a letter from the Mayor's Office concerning formation of a Task Force for retirement purposes, Commissioners DeMerritt and Denning, in addition to himself, will represent the Board at a meeting scheduled for November 12, 1982.

There being no further business,

the Board adjourned its meeting

at 12:35 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Richard Walker

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

NOVEMBER 16, 1982 - 9:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Leon Bruschera	Commissioner
	Quentin L. Kopp	President, Board of Supervisors

QUARTERLY INVESTMENT MEETING

INVESTMENTS CALENDAR

ITEM

1. PRESENTATION BY EQUITY INVESTMENT MANAGERS RE EQUITY INVESTMENTS FOR QUARTER ENDING SEPTEMBER 30, 1982:

   Representatives of the following firms, Investment Managers of the equity portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of equity investments for the quarter ending September 30, 1982:

   a) Crocker Investment Management Corporation

   b) Eaton & Howard, Vance Sanders

   c) Loomis, Sayles & Company

   The Board engaged in a question and answer period with each firm. It was the recommendation of each firm that the Board allocate new funds (cash flow) into equities for the ensuing quarter.

   A representative of Callan and Associates, the Board's measurement service firm, as well as Staff, participated in the discussion regarding equity investments.

2. REVIEW AND DISCUSSION OF BOND PORTFOLIO AND TRANSACTIONS FOR FISCAL YEAR ENDING JUNE 30, 1982, AND QUARTER ENDING SEPTEMBER 30th, 1982.

   Jack Stoufer, Chief Investment Officer, rendered a written and oral report to the Board on the status of the bond portfolio and bond transactions for fiscal 1981-82 and the quarter ending September 30, 1982. The Board engaged in a question and answer period with Mr. Stoufer and Staff.

3. REVIEW AND DISCUSSION OF AB 3593 RE INVESTMENT OF PUBLIC PENSION FUNDS IN CALIFORNIA RESIDENTIAL MORTGAGES.

   Mr. Stoufer brought to the Board's attention the new investment requirements for public pension funds as set forth in Assembly Bill 3593, effective January 1, 1983. AB 3593 will require that administering bodies of public pension funds give first priority to investing not less than 25% of all new funds that become available in a fiscal year for residential housing in-

cluding rental housing. Mr. Mattrocce informed the Board of a meeting of CSAC (County Supervisors' Association of California) in Los Angeles on this subject.

ACTION: It was moved by Denning, seconded by Weisberg, to authorize the General Manager to attend the CSAC meeting in Los Angeles November 17-18, 1982; motion passed, 5-0.

4. RECOMMENDED INVESTMENT POLICY AND ALLOCATION OF FUNDS FOR PERIOD ENDING JANUARY 31, 1983.

Mr. Stoufer presented to the Board a recommended policy for the investment and allocation of funds for the period ending January 31, 1983 (see attached.) The Board reviewed and discussed the recommended policy.

ACTION: It was moved by Weisberg, seconded by Stanley, to adopt the recommended investment policy and to allocate $13,272,000.00 to equities for the period ending January 31, 1983; motion passed, 5-0.

NOTE: Dr. Weisberg left the meeting at this point.

SUPPLEMENTAL CALENDAR

ITEM

1. VOLUNTARY SERVICE RETIREMENT LIST, NO. 11-82:

ACTION: It was moved by DeMerritt, seconded by Denning, to approve the Voluntary Service Retirement List, No. 11-82; motion passed, 4-0.

2. HEARING OFFICER DECISIONS:

a) BALDOCCHI, Robert A.
Municipal Court - #0350 Court Reporter
Ordinary Disability Retirement
Effective Date - July 1, 1982 GRANTED

b) JOHNSON, Diane M.
Police - #8250 Fingerprint Technician
Ordinary Disability Retirement
Effective Date - September 16, 1982 GRANTED

ACTION: It was moved by Denning, seconded by Stanley, to accept the Hearing Officer decisions; motion passed, 4-0.

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Albert Fong

ACTION: It was moved by Denning, seconded by DeMerritt, to approve Albert Fong's request to withdraw funds from the Deferred Compensation Plan: motion passed, 4-0.

4. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Joseph K. Allem - $3,000.00

ACTION: It was moved by DeMerritt, seconded by Stanley, to approve the settlement; motion passed, 4-0.

5. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Frances L. Foston - $430.00

ACTION: It was moved by Stanley, seconded by Denning, to approve the settlement; motion passed, 4-0.

BOARD MEMBERS

President Ashe reported to the Board on the meeting held with representatives of the Mayor's Office on November 12, 1982, in regard to formation of a Task Force to study and evaluate the Retirement System. Clare Murphy also reported on the results of the meeting.

President Ashe designated himself and Commissioner Denning as the Board's participants in the Task Force.

There being no further business,

the Board adjourned its meeting

at 1:05 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary

NOTE: Transcripts of meeting contains reference to meeting items.
Court Reporter: Carolyn M. Wilson

November 16, 1982

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD
ENDING JANUARY 31, 1983

FUNDS ANALYSIS

*Cash available for investment as of October 31, 1982		$134,759,000
Projected net cash additions to the portfolio for the ensuing three months		13,272,000
Total funds available		$148,031,000
Less:		
Funds previously allocated for bond purchases	$80,337,000	
Funds previously allocated for stock purchases	54,422,000	
Funds previously allocated for real estate	-0-	$134,759,000
		$ 13,272,000

RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD ENDING JANUARY 31, 1983

	$	%
Funds invested in bonds:		
Funds invested in equity real estate mortgages:		
Funds invested in real estate equity:		
Funds invested in common stock:		
Crocker Investment Management Corporation		
Eaton and Howard, Vance Sanders Incorporated		
Loomis-Sayles-and-Company Incorporated		
Total new funds available for investments	$13,272,000	

Temporarily invested in money market instruments

Prepared by the Retirement Investment Staff

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

NOVEMBER 30, 1982 - 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	Quentin L. Kopp	President, Board of Supervisors

MINUTES

Minutes of Regular Meeting, November 9, 1982

Minutes of Regular Meeting, November 16, 1982

ACTION: Approved as submitted

President Ashe noted the presence of Supervisor Wendy Nelder in the Audience and welcomed her on behalf of the Board.

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 12-82

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Richard Conoly - $ 1,578.09

c) SETTLEMENT OF DISPUTED CLAIM - W.C.A.B. COMPROMISE & RELEASE:

Ora Lee Gosey - $ 500.00

ACTION: It was moved by Kopp, seconded by Stanley, to approve the Consent Calendar, motion passed, 6-0.

NOTE: Commissioner Bruschera arrived at this point in the calendar.

REGULAR CALENDAR

ITEM

1) REQUEST FROM RETIRED EMPLOYEES OF THE CITY AND COUNTY OF SAN FRANCISCO FOR CURRENT MAILING LIST OF RETIRED EMPLOYEES:

ACTION: Off calendar at request of Retired Employees.

2) REPORT AND RECOMMENDATIONS RE DEFERRED COMPENSATION PLAN:

Mr. Patrick Kalasardo, Area Director of Hartford Variable Annuity Life Insurance Company, presented a written and oral report to the Board on the current status of the deferred compensation plan; Mr. Kalasardo also presented an amended Deferred Compensation Plan document. The Board reviewed and discussed the amendments to the plan document.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the amended Deferred Compensation Plan document; motion passed, 7-0.

3) REQUEST TO APPROVE SUPPLEMENTAL APPROPRIATION OF $20,000 RE BOARD OF SUPERVISOR'S RESOLUTION NO. 873-82 TO CONDUCT ACTUARIAL STUDY FOR PROPOSED SAFETY MEMBERS RETIREMENT PLAN:

Clare Murphy addressed the Board on this item, informing the Board of the purpose of the $20,000 supplemental appropriation and outlining the steps to be taken in conducting an actuarial study.

ACTION: It was moved by Denning, seconded by Bruschera, to approve submission of a request for a supplemental appropriation of $20,000 to conduct an actuarial study; motion passed, 7-0.

4) REQUEST TO APPROVE SUPPLEMENTAL APPROPRIATION OF $100,000 ($50,000 General Fund - $50,000 Trust Fund) RE PENSION TASK FORCE:

Clare Murphy addressed the Board on this item, informing the Board of the purpose of the $100,000 suppplemental appropriation. President Ashe and Vice-President Denning informed the Board of the results of the initial meeting of the Pension Task Force.

ACTION: It was moved by Denning, seconded by Weisberg, to approve submission of a request for a supplemental appropriation of $100,000 ($50,000 from the General Fund; $50,000 from the Trust Fund;) motion passed, 6-1 (Kopp)

In reference to the Pension Task Force, Dr. Weisberg raised a point of personal privelege at this time.

5) HEARING OFFICER DECISION:

a) ABBEY, Richard
Police Department - Sergeant
Industrial Disability Retirement
Effective Date - April 7, 1982 GRANTED

b) FLYNN, Joseph M.
Police Department - Captain
Industrial Disability Retirement
Effective Date - May 13, 1981 DENIED

c) MACALUSO, Thomas C.
Fire Department - Assistant Chief
Industrial Disability Retirement
Effective Date - June 2, 1982 DENIED

ACTION: It was moved by Kopp, seconded by DeMerritt, to accept the Hearing Officer decision; motion passed, 7-0.

6) REQUEST FOR AUTHORIZATION TO CONTRACT WITH ALEXANDER & ALEXANDER FOR A MANAGEMENT INFORMATION SYSTEM:

Rudy Hernandez presented a written and oral report to the Board on this item. Representative of Alexander & Alexander, Faith Lamberts and Weymouth D. Walker, also addressed the Board and responded to a number of questions from the Board members. (NOTE: Supervisor Kopp left at this point in the meeting.)

ACTION: It was moved by Bruschera, seconded by Weisberg, to approve the request to contract with Alexander & Alexander to implement a risk management information system; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. PROXY VOTE: Litton Industries, Inc.

Board members were furnished three (3) Shareholder proposals: (Vote on each was by ballot vote)

a) Shareholder Proposal No. 1 - Shareholder Purchase of Fractional Shares:

ACTION: It was moved by Denning, seconded by Weisberg, to oppose Shareholder Proposal No. 1; there

(continued)

were 4 votes For and 2 votes Against; motion passed .

b) Shareholder Proposal No. 2 - Listing Certain Corporation Executives Who Serve In a Government Capacity:

ACTION: It was moved by Stanley, seconded by Denning, to oppose Shareholder Porposal No. 2; on a tie vote, 3 For and 3 Against, the motion did not pass.

c) Shareholder Proposal No. 3 - Labor Relations Report Re Complaints Issued By NLRB:

ACTION: It was moved by DeMerritt, seconded by Weisberg, to support Shareholder Proposal No. 3; there were 6 votes For and 0 votes Against; motion passed.

NOTE: Commissioner Bruschera left the meeting at this point.

2. REPORT AND DISCUSSION RE FUTURE QUARTERLY INVESTMENT MEETINGS, INCLUDING PERFORMANCE MEASUREMENT SERVICE:

Jack Stoufer, Chief Investment Officer, addressed the Board on this item. Mr. Stoufer recommended a revised schedule relative to the Board's Quarterly Investment Meetings and measurement reports from Callan and Associates. Board members offered comments and suggestions regarding the recommendations.

ACTION: At the suggestion of the General Manager, the item was referred back to staff for further review and recommendations.

GENERAL MANAGER'S REPORT

1. Report and Recommendation Re Appointment to Vacant 1816 Actuary Position:

Mr. Mattrocce informed the Board that the paid unused vacation and sick leave time of the former Actuary, Edmund J. Walsh, had expired and that the Board was now authorized , in accordance with charter section 3.672, to appoint an Actuary. Mr. Mattrocce recommended that the Board consider Clare Murphy for appointment as Actuary.

(continued)

General Manager's Report continued -

ACTION: It was moved by Weisberg, seconded by Stanley, to appoint Clare Murphy as Actuary, effective December 1, 1982; motion passed, 5-0.

It was also moved by Weisberg, seconded by Denning, to recommend to the Civil Service Commission that Ms. Murphy be appointed at the fifth (5th) step of the salary range for 1816 Actuary, but no less than the third (3rd) step; motion passed,5-0.

There being no further business,

the Board adjourned its meeting

at 1:40 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items. Court Reporter: Olga Hayes Schmitt

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, CA 94102

DECEMBER 14, 1982 - 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Quentin L. Kopp	President, Board of Supervisors

MINUTES Minutes of Regular Meeting, November 30, 1982

ACTION: Approved as submitted

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 13-82

b) SETTLEMENT OF DISPUTED CLAIM - W.C.A.B. COMPROMISE & RELEASE: James E. Braswell - $4,000.00

c) SETTLEMENT OF DISPUTED CLAIM - W.C.A.B. COMPROMISE & RELEASE: James Ross - $2,100.00

d) SETTLEMENT OF DISPUTED CLAIM - W.C.A.B. COMPROMISE & RELEASE: Peter Teahan - $5,750.00

e) REQUEST TO CORRECT DATE OF BIRTH:

Zelma Russell

ACTION: It was moved by Bruschera, seconded by Stanley, to approve the Consent Calendar, motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. REQUEST FOR AUTHORIZATION TO CONTRACT WITH JOHN F. FORBES & COMPANY FOR CONSULTING SERVICES (Data Processing):

Clare Murphy, Board Actuary, presented a written and oral report to the Board on the need to employ the services of John F. Forbes & Company to conduct a thorough study of the Retirement System's data processing systems in light of the forthcoming overhaul of the Retirement System's accounting system and a major updating of the City's payroll system. The Board reviewed and commented on the proposed study and data processing requirements.

ACTION: It was moved by Stanley, seconded by Denning, to authorize contracting with John F. Forbes & Company for data processing consulting services; motion passed, 6-0.

2. HEARING OFFICER DECISIONS:

a. AHLGREN, Carl V.
Muni Railway - Transit Operator
Ordinary Disability Retirement
Effective Date - October 1, 1982 GRANTED

b. BANKS, Daniel
Fire Department - Fireman
Industrial Disability Retirement
Effective Date - July 2, 1982 DENIED

c. CAESAR, Jessie Jr.
Muni Railway - Transit Car Cleaner
Ordinary Disability Retirement
Effective Date - October 1, 1982 GRANTED

d. CIRIMELE, Robert A.
Police Department - Lieutenant
Industrial Disability Retirement
Effective Date - February 2, 1981 GRANTED

e. MOLL, Earl Richard
Water Department - Foreman Carpenter
Reinstatement From Ordinary Disability Retirement
Reinstatement Date - December 1, 1982 GRANTED

f. PULVIRENTI, Anthony J.
Fire Department - Fireman
Industrial Disability Retirement
Effective Date - January 7, 1982 DENIED

g. RUDOLPH, David
San Francisco General Hospital - Electrician
Ordinary Disability Retirement
Effective Date - February 1, 1982 GRANTED

h. WEAVER, Wilbert Jr.
Muni Railway - Transit Operator
Ordinary Disability Retirement
Effective Date - July 7, 1982 GRANTED

ACTION: It was moved by Bruschera, seconded by Stanley, to accept the Hearing Officer decisions; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. Private Placement: K MART Lease Financing

   Jack Stoufer, Chief Investment Officer, presented a written and oral report to the Board requesting that the Board authorize the purchase of a private placement, K MART Lease Financing.

   ACTION: It was moved by Bruschera, seconded by Stanley, to approve the purchase of a private placement, K MART Lease Financing; motion passed, 6-0.

2. Equity Manager Fact Sheet

   Mr. Stoufer presented to the Board a draft of a proposed Equity Manager Fact Sheet, said Sheet to be utilized by the Board's Equity Managers in reporting quarterly equity transactions, income received, gains and losses, and related equity investment matters.

   Board members reviewed and discussed the proposed Fact Sheet. No action was taken pending further review and revision of the Fact Sheet.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST TO CORRECT DATE OF BIRTH:

   Leo Capos - From 3/17/34 to 2/17/34

   ACTION: It was moved by Bruschera, seconded by Denning, to approve the correction in date of birth; motion passed, 6-0.

2. MARY SCHAFER V. RETIREMENT BOARD:

   Superior Court No. 800-802

   Dan Maguire, Legal Counsel, advised the Board of the Superior Court decision in Mary Schafer V. Retirement Board and recommended that the decision not be appealed.

   ACTION: It was moved by Stanley, seconded by Denning, that the Board not appeal the decision of Mary Schafer V. Retirement Board; motion passed, 6-0.

3. W.C.A.B. - COMPROMISE AND RELEASE:

Clarence Cornelius - $7,000.00

ACTION: It was moved by DeMerritt, seconded by Bruschera, to approve the settlement; motion passed, 6-0.

4. W.C.A.B. - COMPROMISE AND RELEASE:

William Fritz - $38,000.00

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve the settlement; motion passed, 6-0.

NOTE: Commissioner Bruschera left the meeting at this point.

5. W.C.A.B. - COMPROMISE AND RELEASE:

Marie Paillet - $1,200.00

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the settlement; motion passed, 5-0.

GENERAL MANAGER'S REPORT

ITEM

1. Mr. Mattrocce informed the Board that the Civil Service Commission had approved Clare Murphy's appointment at the 4th step of the salary range for 1816 Actuary.

2. That Jack Stoufer, Chief Investment Officer, had been appointed by Governor Brown to the Governor's "Council of Pension Trustees and Managers." The Board congratulated Mr. Stoufer on his appointment.

BOARD MEMBERS

President Ashe reported on the following matters:

a. That Bruce Poyer's report on the Public Pension Investment Project report was being withheld from distribution; Mr. Poyer is a Coordinator for the Center For Labor Research and Education, Institute of Industrial Relations, University of California, Berkeley.

b. That Mayor Feinstein had received an objection from SEIU Local 400 regarding the composition of the Pension Task Force.

c. That he attended a meeting of Board and Commission Presidents with the Mayor regarding Board responsibilities.

There being no further business, the Board adjourned its meeting at 1:05 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items. Court Report: Richard Walker

December 14, 1982

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

JANUARY 11, 1983 - 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting, December 14, 1982

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 14-82

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
John F. Haskett

c) SETTLEMENT OF DISPUTED CLAIM - Subrogation:
Terry E. Esget - $875.00

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation:
Gerard Neybert - $510.95

e) SETTLEMENT OF DISPUTED CLAIM - Subrogation:
Gennie Nunley - $4,000.00

f) SETTLEMENT OF DISPUTED CLAIM - Subrogation:
James G. Tomasello - $4,000.00

g) W.C.A.B. - Compromise and Release:
Aileen O'Driscoll - $2,500.00

h) SETTLEMENT OF DISPUTED CLAIM - Subrogation:
Michael R. Joseph - $1,700.00

i) SETTLEMENT OF DISPUTED CLAIM - Subrogation:
Hilgard O. Sternberg - $677.55

j) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Ezelle Hall - $900.00

k) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Ronald R. Kiel - $6,162.78

l) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Corbett Dicket - $2,449.14

m) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

John Chestnut - $1,187.43

n) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Holly Pera - $3,261.43

ACTION: It was moved by Bruschera, seconded by Denning, to approve the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1) REVIEW OF ECONOMIC ASSUMPTIONS FOR PLAN VALUATION - DATA AS OF JUNE 30, 1982:

William Smith - Consulting Actuary

Mr. Smith, the Board's Consulting Actuary, together with Clare Murphy, Retirement System Actuary, presented to the Board a written and oral report regarding economic assumptions to be utilized in making the June 30, 1982 Valuation Study of the Retirement System pension plans.

The Board engaged in a series of questions and answers with Mr. Smith and commented on the various facets of the report.

In concluding the report, Mr. Smith recommended to the Board that

the economic assumptions to be utilized in the valuation study, and subsequent rates of contribution, be based on a testing of spreads as set forth below:

	C P I*	Wage Inflation	Investment Yield
a)	6.0%	7.5%	8.5%
b)	5.5	7.0	8.0
c)	5.0	6.5	7.5
d)	5.0	7.0	7.5
e)	6.5	8.0	9.0

*Consumer Price Index

The Board expressed general agreement with the proposed test spreads and earmarked February 15, 1983 as a meeting date to review and adopt an economic assumption spread for the Valuation Study.

2) REPORT ON "INSURABLE INTEREST" AS CRITERIA FOR DESIGNATION OF BENEFICIARIES FOR DEATH BENEFITS:

Clare Murphy - Board Actuary

At the request of Ms. Murphy, this item was put over to the next Board meeting.

3) HEARING OFFICER DECISIONS:

a) BRANDIN, Kathleen
8251 Fingerprint Technician III, SFPD
Ordinary Disability Retirement
Effective Date - May 1, 1981 GRANTED

b) MAJOR, Alton E.
2709 School Custodian, Community College District
Ordinary Disability Retirement
Effective Date - August 1, 1982 GRANTED

c) MOORE, Martin E.
9163 Transit Operator, Municipal Railway
Ordinary Disability Retirement
Effective Date - August 31, 1982 GRANTED

d) WILLIAMS, Lloyd E.
9163 Transit Operator, Municipal Railway
Ordinary Disability Retirement
Effective Date - March 1, 1982 GRANTED

e) WOHLAUF, Katharina
2704 School Custodian, Community College
Ordinary Disability Retirement
Effective Date - January 1, 1982 GRANTED

ACTION: It was moved by Bruschera, seconded by Denning, to accept the Hearing Officer decisions; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The General Manager reported the following matters to the Board:

1. That Callan Associates, Inc. will conduct an investment seminar, January 26-27, 1983, in San Francisco.

   ACTION: It was moved by Bruschera, seconded by Denning, to authorize Board and staff attendance at the seminar; motion passed, 6-.

2. That Institutional Investor will conduct a pension seminar, February 2nd-3rd, 1983, in Los Angeles.

   ACTION: It was moved by Bruschera, seconded by Denning, to authorize one Investment Division staff member to attend the seminar; motion passed, 6-0.

BOARD MEMBERS

President Ashe brought to the Board's attention a forthcoming pension conference by Bankers Trust of New York. Further information will be made available at the next meeting.

President Ashe requested that staff furnish an update on public agencies withdrawing from Social Security.

Dr. Weisberg requested that staff obtain a copy of a proposed ordinance setting aside "No Smoking" areas in various employments.

SUPPLEMENTAL CALENDAR

ITEM

1. GAMBASTIANI V. RETIREMENT BOARD - SUPERIOR COURT NO. 795-819:

Mr. Maguire, Legal Counsel, informed the Board that a settlement had been reached in the above cited case and that he, Mr. Maguire, recommends that the Board approve the settlement.

ACTION: It was moved by Bruschera, seconded by Denning, to approve the settlement; motion passed, 6-0.

There being no further business,

the Board adjourned its meeting

at 12:50 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Carolyn Wilson, CSR

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

JANUARY 25, 1983 - 9:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting, January 11, 1983

ACTION: Approved as submitted

QUARTERLY INVESTMENT MEETING

INVESTMENTS CALENDAR

ITEM

I PRESENTATION BY EQUITY INVESTMENT MANAGERS RE EQUITY INVESTMENTS FOR QUARTER ENDING DECEMBER 31, 1982:

Representatives of the following firms, Investment Managers of the equity portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of equity investments for the quarter ending December 31, 1982:

a) Eaton & Howard, Vance Sanders

b) Loomis, Sayles & Company

c) Crocker Investment Management Corporation

The Board engaged in a question and answer period with each firm. It was the recommendation of each firm that the Board allocate new funds (cash flow) into equities for the ensuing quarter.

A representative of Callan Associates, the Board's measurement service firm, as well as Staff, participated in the discussion regarding equity investments.

Supervisor Wendy Nelder arrived during this item and was welcomed by President Ashe as the Board's newest member.

II REVIEW AND DISCUSSION OF BOND PORTFOLIO AND TRANSACTIONS FOR THE QUARTER ENDED DECEMBER 31, 1982

Jack Stoufer, Chief Investment Officer, rendered a written and oral report to the Board on the status of the bond portfolio and bond transactions for the quarter ending December 31, 1982. The Board engaged in a question and answer period with Mr. Stoufer and Staff.

III DISCUSSION OF RETIREMENT SYSTEM'S INVESTMENTS IN CALIFORNIA RESIDENTIAL REAL ESTATE MORTGAGES

a) Consideration of City Attorney's opinion on above matter

The Board was presented a copy of a City Attorney's Opinion - No. 83, analyzing the potential affect of AB 3593 on Retire-

ment System investments. AB 3593 provides that 25% of all new public pension investments be allocated to California residential realty mortgages. The City Attorney's Opinion, among other things, concluded that the Retirement Board may, within the confines of the "Prudent Man Rule", allocate 25% of new investments to California residential realty mortgages.

The Board reviewed and commented on the Opinion and took the matter under advisement.

Note: Supervisor Wendy Nelder left the meeting at this point.

IV RECOMMENDED INVESTMENT POLICY AND ALLOCATION OF FUNDS FOR THE PERIOD ENDING APRIL 30, 1983

Mr. Stoufer presented to the Board a recommended policy for the investment and allocation of funds for the period ending April 30, 1983 (see attached.) The Board reviewed and discussed the recommendation policy.

ACTION: It was moved by Weisberg, seconded by Bruschera, to adopt the recommended investment policy and to allocate $20,938,000 to equities for the period ending April 30, 1983; motion passed, 6-0.

Note: Mr. Denning and Dr. Weisberg left the meeting at this point.

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 15-82

b) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT: Mason Lott

c) SETTLEMENT OF DISPUTED CLAIM - Subrogation

Forest Bergewell - $4,500.00 plus $1,600.00 property damage

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Charles Burt - $640.00

e) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

William Gau - $1,445.00

f) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Dennis O'Leary - $81.05, plus $1,205.12 property damage

g) W.C.A.B. - COMPROMISE AND RELEASE:

Marily Price - $3,000.00

h) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Jeane Ellis - $666.76

ACTION: It was moved by Stanley, seconded by Bruschera, to approve the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1) REPORT ON "INSURABLE INTEREST" AS CRITERIA FOR DESIGNATION OF BENEFICIARIES FOR DEATH BENEFITS:

Clare Murphy, Board Actuary, presented a written and oral report on the subject of "insurable interest" for persons designating beneficiaries for death benefits; Mr. Maguire, Legal Counsel, also spoke to the issue.

2) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Nemesio J. Paredes, DDS

ACTION: It was moved by Stanley, seconded by Bruschera, to approve the request; motion passed, 4-0.

Note: Supervisor Nelder returned to the meeting.

3) HEARING OFFICER DECISIONS:

a) HAMMOND, Charles R.
Police - Police Officer
Industrial Disability Retirement
Effective Date - July 12, 1981 DENIED

b) HOOVER, Glenn J.
Fire - Firefighter
Industrial Disability Retirement
Effective Date - December 18, 1982 GRANTED

c) MURRAY, James K.
Bailiff - Sheriff's Department
Determination DENIED

d) SCARPULLA, Frank A.
Fire - Inspector
Determination and Industrial Disability Retirement
Effective Date - April 15, 1982 DENIED

e) VICK, John F.
Fire - Chief Operator
Industrial Disability Retirement
Effective Date - November 21, 1982 GRANTED

f) WILLIAMS, Thomas
Police - Police Officer
Industrial Disability Retirement
Effective Date - July 16, 1981 GRANTED

ACTION: 1) It was moved by Bruschera, seconded by Stanley, to accept the Hearing Officer decisions; motion passed, 5-0.

2) It was moved by Nelder, seconded by Bruschera, to rescind the previous vote; motion passed, 5-0.

3) It was moved by Nelder, seconded by Stanley, to accept Hearing Officer decisions, a) through f), except d).

4) It was moved by Nelder, seconded by Bruschera, to request Legal Counsel to research the law and, if appropriate, to join in the petition for rehearing for Fran A. Scarpulla; motion passed, 5-0.

5) It was moved by Nelder, seconded by Stanley, to rescin motion 3); motion passed, 5-0.

6) It was moved by Nelder, seconded by Bruschera, to accept Hearing Officer decisions b), c), e) and f); motion passed, 5-0.

7) It was moved by Nelder, seconded by Bruschera, not to accept the Hearing Officer decision on a) Hammond, Charles R., and to request a rehearing; motion passed, 4-1 (Stanley).

Note: Supervisor Nelder left the meeting at this point.

4) RESOLUTION COMMENDING JOSEPH P. SCARPA ON THE OCCASION OF HIS RETIREMENT:

Staff presented resolution commending Joseph P. Scarpa on the occasion of his retirement from City Service, January 22, 1983.

ACTION: It was moved by DeMerritt, seconded by Stanley, to adopt the resolution; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Norman Deams - $350.00

ACTION: It was moved by Stanley, seconded by Bruschera, to approve the settlement; motion passed, 4-0.

2. SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Harry H. Hanssen - $1,182.88

ACTION: It was moved by DeMerritt, seconded by Stanley, to approve the settlement; motion passed, 4-0.

3. W.C.A.B. - COMPROMISE AND RELEASE:

Eno Herbert - $4,500.00

ACTION: It was moved by DeMerritt, seconded by Stanley, to approve the settlement; motion passed, 4-0.

BOARD MEMBERS

REQUEST TO ATTEND PENSION PLANNING SEMINAR - Bankers Trust Company

ACTION: It was moved by Bruschera, seconded by Stanley, authorizing the President to attend a pension planning seminar sponsored by Bankers Trust Company, to be held in San Diego, February 27 through March 2, 1983.

There being no further business, the Board adjourned its meeting at 3:30 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items. Court Reporter: Carolyn Wilson, CSR

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD
ENDING APRIL 30, 1983

FUNDS ANALYSIS

Cash available for investment as of January 21, 1983		$166,420,000
Projected net cash additions to the portfolio for the ensuing three months		20,938,000
Total funds available		$187,358,000
Less:		
Funds previously allocated for bond purchases	$123,686,000	
Funds previously allocated for stock purchases	42,734,000	
Funds previously allocated for real estate	-0-	$166,420,000
		$ 20,928,000

RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD ENDING APRIL 30, 1983

	$	%
Funds invested in bonds:		
Funds invested in equity real estate mortgages:		
Funds invested in real estate equity:		
Funds invested in common stock:		
Crocker Investment Management Corporation		
Eaton and Howard, Vance Sanders Incorporated		
Loomis-Sayles-and-Company Incorporated		
Total new funds available for investments	$20,938,000	

* Temporarily invested in money market instruments

Prepared by the Retirement Investment Staff

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

February 8, 1983 - 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting, January 25, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 16-82

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Fred Cardella

c) W.C.A.B. - COMPROMISE AND RELEASE:

Lita Feliciana - $7,775.00

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Jose Gavina - $1,379.61

e) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Dennis Harsh - $1,000.00

f) W.C.A.B. - COMPROMISE AND RELEASE:

John Kenison - $3,000.00

g) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Jeanette Matthews - $391.73

ACTION: It was moved by Denning, seconded by Weisberg, to approve the Consent Calendar; motion passed, 6-0 (Nelder not present.)

REGULAR CALENDAR

ITEM

1) CONTRACT RENEWAL FOR ACTUARIAL CONSULTING SERVICES - Milliman and Robertson:

January 1, 1983 - June 30, 1983 - $15,000.00

Clare Murphy, Board Actuary, presented to the Board a contract for renewal of the services of the Board's Consulting Actuary, Milliman and Robertson, for the period 1/1/83 to 6/30/83, at a cost of $15,000.

It was recommended that staff prepare a proposed charter amendment expanding the Board's authority with respect to determining the making of actuarial valuation and plan experience studie

ACTION: It was moved by Weisberg, seconded by Denning. to approve the contract; motion passed, 6-0 (Nelder not present.)

2) PROPOSED RETIREMENT SYSTEM ADMINISTRATIVE BUDGET FOR FISCAL 1983-84:

Rudy Hernandez presented to the Board the proposed Administrative Budget for the Retirement System for Fiscal Year 1983-84. The Board and staff reviewed and discussed the proposed budget in detail.

ACTION: It was moved by Denning, seconded by Stanley, to adopt the 1983-84 Administrative budget; motion passed, 6-0 (Nelder not present.)

NOTE: Supervisor Wendy Nelder arrived at this point in the Calendar.

3) COMMUNICATION FROM SHIELDS ASSET MANAGEMENT, INC.:

Mr. Mattrocce reviewed and discussed with the Board a communication from Shields Asset Management, Inc., said communication requesting that Shields Asset Management, Inc. be allowed to participate in the management of the equity portion of the Retirement System's portfolio. The Board did not take action on the request at this time. However, it was the consensus of the Board that a study should be conducted by an outside consultant to evaluate the current structure of the Investments Division and, in conjunction with staff, to recommend a restructuring of the portfolio management program.

4) COMMUNICATION FROM SUTTER MEDICAL GROUP:

Mr. Mattrocce reviewed and discussed with the Board a communication from Sutter Medical Group, said communication requesting opportunity to make a presentation to the Board regarding proposal to provide industrial medical services for the City and County; the communication also requested various statistical and other data relative to the current operation of the Workers Compensation Program.

Following considerable discussion of this item by the Board and Staff, the Board instructed Staff to reply to Sutter Medical Group (Dr. Mitchell H. Koch) and, in said reply, to furnish the various data requested; provided, however, that copies of reports by Gates McDonald Company and Alexander & Alexander Company are not available for distribution inasmuch as the reports are not applicable to industrial medical services provided by the Workers' Compensation Division.

5) MICHAEL R. O'TOOLE VS. RETIREMENT BOARD - Court of Appeal - First Appellate District:

Dan Maguire, Legal Counsel, furnished the Board with a copy of the recent Court of Appeal decision in the Michael R. O'Toole vs. Retirement Board case. The Board and Mr. Maguire exchanged comments regarding the case, which was favorable to the Retirement Board. Inasmuch as this was an information only, no action was taken by the Board.

6) HEARING OFFICER DECISIONS:

a) BASSETT, JR., William J.
Fire - Assistant Chief
Industrial Disability Retirement
Effective Date - May 17, 1982 GRANTED

b) CLARK, Raymond
Street Cleaning - Truck Driver
Ordinary Disability Retirement
Effective Date - August 13, 1982 GRANTED

c) CONROY, Melva
Social Services - Eligibility Worker
Ordinary Disability Retirement
Effective Date - January 1, 1982 GRANTED

d) DUFFY, Matthew C.
Police - Captain
Industrial Disability Retirement
Effective Date - May 6, 1981 GRANTED

e) GRAHAM, William J.
Fire - Assistant Chief
Industrial Disability Retirement
Effective Date - December 30, 1981 DENIED

f) LINGSCH, Norman F.
Fire - Lieutenant (Acting as Captain)
Industrial Disability Retirement
Effective Date - February 4, 1981 DENIED

g) MUNIZ, Benjamin
Fire - Firefighter
Industrial Disability Retirement
Effective Date - December 17, 1981 GRANTED

h) PARK, Dennis Y. B.
Engineering - Civil Engineer
Ordinary Disability Retirement
Effective Date - January 4, 1983 GRANTED

i) PARROTT, Edward J.
Fire - Fireman
Determination DENIED

j) WASHINGTON, William O.
Muni - Transit Operator
Ordinary Disability Retirement
Effective Date - May 1, 1982 GRANTED

ACTION: It was moved by Stanley, seconded by Denning, to accept the Hearing Officer decisions; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

ITEM

1. W.C.A.B. - COMPROMISE AND RELEASE:

Ramon B. Fernandez - $1,500.00

ACTION: It was moved by Stanley, seconded by Denning, to approve the compromise and release; motion passed,, 6-0.

2. W.C.A.B. - COMPROMISE AND RELEASE:

Dominic Gentile - $3,750.00

ACTION: It was moved by DeMerritt, seconded by Stanley, to approve the compromise and release; motion passed, 6-0.

3. W.C.A.B. - COMPROMISE AND RELEASE:

Marc Johnson - $7,500.00

ACTION: It was moved by Weisberg, seconded by Stanley, to approve the compromise and release; motion passed, 6-0.

4. W.C.A.B. - COMPROMISE AND RELEASE:

Charles E. Perea - $20,000.00

ACTION: It was moved by DeMerritt, seconded by Stanley, to approve the compromise and release; motion passed, 6-0.

5. W.C.A.B. - COMPROMISE AND RELEASE:

Jewel Davis - $14,000.00

ACTION: It was moved by Stanley, seconded by Weisberg, to approve the compromise and release; motion passed, 6-0.

GENERAL MANAGER'S REPORT

1. Mr. Mattrocce informed the Board that the Edward Friend Company will conduct a pension seminar in Washington, D. C., May 6-7, 1983, and that the Annual Washington Legislative Update conducted by the International Foundation will also be held in Washington, D. C., May 8-11, 1983.

ACTION: It was moved by Bruschera, seconded by Denning, to authorize Clare Murphy, Board Actuary, to attend the two conferences in Washington, D. C.; motion passed, 6-0.

2. Mr. Mattrocce informed the Board that he will retire from City Service, effective Mar.1, 1983. The Board and Mr. Mattrocce discussed a number of matters involving Mr. Mattrocce's pending retirement, including the drafting of qualification requirements and criteria for replacing Mr. Mattrocce. It was the consensus of the Board that a Closed Session will be held at the Board's meeting of February 22, 1983, to appoint an interim or Acting General Manager.

CLOSED SESSION

At this point in the meeting, the Board went into closed session to discuss litigation involving a Hearing Officer decision.

The Board subsequently reconvened in Public Session and announced the following:

1) That the action taken by the Board at its meeting of January 25, 1983, i. e., not to accept the Hearing Officer decision on Charles R. Hammond and to request a rehearing, was rescinded by a vote of 6-0.

2) That a motion to accept the Hearing Officer decision on Charles R. Hammond (Denied) was passed by a vote of 6-0.

There being no further business, the Board adjourned its meeting at 2:12 p. m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Richard Walker, CSR

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

FEBRUARY 15, 1983 - 9:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Wendy Nelder	President, Board of Supervisors

RETIREMENT BOARD

REGULAR MEETING

FEBRUARY 15, 1983

9:00 A.M.

REGULAR CALENDAR

ITEM

1) PRESENTATION OF ACTUARIAL VALUATION REPORT:

Mr. William Smith - Milliman & Robertson, Consulting Actuary

Mr. Smith reviewed and discussed with the Board the Actuarial Valuation Study of the Retirement System as of June 30, 1982. The board, Mr. Smith and Clare Murphy, Retirement System Actuary, exchanged views, comments and questions and answers relative to the contents of the valuation study, including Mr. Smith's recommendations regarding city and county rates of contribution for fiscal year 1983-84.

2) ADOPTION OF CITY/COUNTY RATES OF CONTRIBUTION FOR FISCAL YEAR 1983-84:

Mr. Smith presented to the Board, in his Valuation Study, a set of economic assumptions and city and county rates of contribution for fiscal year 1983-84. The Board, Mr. Smith, Clare Murphy and the General Manager, Mr. Mattrocce, reviewed and discussed the economic assumptions and proposed rates of contribution. Mr. David Novodgrodsky, Business Manager of International Federation of Technical Engineers, Local 21, addressed the Board regarding the proposed rates of contribution.

ACTION: It was moved by Weisberg, seconded by Denning, to adopt the following schedule of City and County rates of contribution for fiscal year 1983-84, effective July 1, 1983: Miscellaneous Employees - 17.00%; Uniformed Police - 96.00%; Uniformed Fire - 105.00%; motion passed, 6-0.

3) TRANSFER TO ESTABLISH CONTINGENCY RESERVE AT TWO PERCENT (2%):

Clare Murphy presented a written and oral report to the Board regarding the Retirement System's Contingency Reserve portion of the trust fund. Ms. Murphy recommended that the Board transfer funds in the amount of $17,559,000 to the reserves maintained for the payment of cost-of=living benefits as provided in charter section 8.526.

ACTION: It was moved by DeMerritt, seconded by Stanley, to approve the recommendation to transfer $17,559,000 from the contingency reserve fund to the cost-of-living benefit fund; motion passed, 6-0.

There being no further business, the Board adjourned its meeting at 12:10 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

Note: Transcript of meeting contains references to meeting items. Court Reporter: Rebecca Luce

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

FEBRUARY 15, 1983 - 9:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Wendy Nelder	President, Board of Supervisors

RETIREMENT BOARD

REGULAR MEETING

FEBRUARY 15, 1983

9:00 A.M.

REGULAR CALENDAR

ITEM

1) PRESENTATION OF ACTUARIAL VALUATION REPORT:

Mr. William Smith - Milliman & Robertson, Consulting Actuary

Mr. Smith reviewed and discussed with the Board the Actuarial Valuation Study of the Retirement System as of June 30, 1982. The board, Mr. Smith and Clare Murphy, Retirement System Actuary, exchanged views, comments and questions and answers relative to the contents of the valuation study, including Mr. Smith's recommendations regarding city and county rates of contribution for fiscal year 1983-84.

2) ADOPTION OF CITY/COUNTY RATES OF CONTRIBUTION FOR FISCAL YEAR 1983-84:

Mr. Smith presented to the Board, in his Valuation Study, a set of economic assumptions and city and county rates of contribution for fiscal year 1983-84. The Board, Mr. Smith, Clare Murphy and the General Manager, Mr. Mattrocce, reviewed and discussed the economic assumptions and proposed rates of contribution. Mr. David Novodgrodsky, Business Manager of International Federation of Technical Engineers, Local 21, addressed the Board regarding the proposed rates of contribution.

ACTION: It was moved by Weisberg, seconded by Denning, to adopt the following schedule of City and County rates of contribution for fiscal year 1983-84, effective July 1, 1983: Miscellaneous Employees - 17.00%; Uniformed Police - 96.00%; Uniformed Fire - 105.00%; motion passed, 6-0.

3) TRANSFER TO ESTABLISH CONTINGENCY RESERVE AT TWO PERCENT (2%):

Clare Murphy presented a written and oral report to the Board regarding the Retirement System's Contingency Reserve portion of the trust fund. Ms. Murphy recommended that the Board transfer funds in the amount of $17,559,000 to the reserves maintained for the payment of cost-of=living benefits as provided in charter section 8.526.

ACTION: It was moved by DeMerritt, seconded by Stanley, to approve the recommendation to transfer $17,559,000 from the contingency reserve fund to the cost-of-living benefit fund; motion passed, 6-0.

There being no further business, the Board adjourned its meeting at 12:10 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

Note: Transcript of meeting contains references to meeting items. Court Reporter: Rebecca Luce

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

February 22, 1983 - 10:00 A.M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting, February 8, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 17-82.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Gloria A. Buck

c) W.C.A.B. - COMPROMISE AND RELEASE:

Joseph M. Flynn - $5,000.00

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Whitfield Bryant - $1,788.60

e) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Alice Jacobs - $1,852.95

ACTION: It was moved by Bruschera, seconded by Stanley, to approve the Consent Calendar; motion passed, 5-0 (Weisberg not present.)

REGULAR CALENDAR

ITEM

1) ADJUSTMENT OF RETIREMENT ALLOWANCE - Wesley E. Hayes

From 50% to 58%

ACTION: By ballot vote, the Board, by a vote of 5-0 (Weisberg not present), approved the adjustment of Wesley E. Hayes' retirement allowance from 50% to 58%, effective July 2, 1980.

Note: Dr. Weisberg arrived at this point in the meeting.

2) HEARING OFFICER DECISIONS:

a) HACKMEIER, Edward
3284 Recreation Director, Recreation and Park
Ordinary Disability Retirement
Effective Date: October 1, 1982 GRANTED

b) LEWANDOWSKI, Leonard P.
9163 Transit Operator, Municipal Railway
Ordinary Disability Retirement
Effective Date: November 4, 1982 GRANTED

c) MAHONEY, Gerald
Q60 Lieutenant, S.F.P.D.
Industrial Disability Retirement
Effective Date: February 2, 1982 DENIED

d) RANSOM, Christopher
9163 Transit Operator, Municipal Railway
Ordinary Disability Retirement
Effective Date: November 1, 1982 DENIED

e) TOOMEY, Jack E.
Q80 Inspector, S.F.P.D.
Industrial Disability Retirement
Effective Date: February 1, 1983 DENIED

ACTION: It was moved by Bruschera, seconded by Stanley, to accept the Hearing Officer decisions; motion passed, 6-0.

3) RESOLUTION COMMENDING DANIEL MATTROCCE, GENERAL MANAGER AND SECRETARY, ON THE OCCASION OF HIS RETIREMENT FROM CITY SERVICE ON MARCH 1, 1983:

The Board was presented a written resolution commending Daniel Mattrocce, Retirement System General Manager and Board Secretary, on the occasion of his retirement from City Service, effective March 1, 1983. Each Board Member congratulated and commended Mr. Mattrocce for his outstanding service as General Manager of the Retirement System and wished him well during his retirement. Mr. Mattrocce responded and thanked the Board for their comments and feelings regarding his service.

ACTION: It was moved by DeMerritt, seconded by Bruschera, to approve the resolution (herewith attached to these minutes); motion passed, 6-0.

SUPPLEMENTAL CALENDAR

ITEM

1) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Vernon Mode - $20,790.00

ACTION: It was moved by Bruschera, seconded by Stanley, to approve the settlement; motion passed, 6-0.

GENERAL MANAGER'S REPORT

1. REQUEST TO ATTEND 1983 FINANCE INDUSTRY SEMINAR, APRIL 14, 15, 16, 1983, PHOENIX, ARIZONA:

Mr. Mattrocce requested that Arnold Mattay, Assistant Chief of Investments, be authorized to attend the 1983 Finance Industry Seminar in Phoenix, Arizona, April 4-16, 1983.

ACTION: It was moved by Weisberg, seconded by Denning, to approve the request; motion passed, 6-0.

2. SUTTER MEDICAL GROUP:

Mr. Mattrocce informed the Board of his recent correspondence and conversations with Dr. Mitchell H. Koch, Medical Director of the Sutter Medical Group, regarding Dr. Koch's requests for information and data on the operation of the Franciscan Treatment Room. Mr. Mattrocce and the Board exchanged comments and viewpoints on the matter.

The Board thereupon instructed Mr. Mattrocce to communicate further with Dr. Koch and indicate:

a) That the Board requests Dr. Koch to submit in writing the reasons for his request for additional information and data;

b) That if, in the Board's opinion, Dr. Koch's response requires clarification or further substantiation, the Board would invite Dr. Koch to appear at a subsequent Board meeting; and

c) That the Board is not presently considering soliciting proposals to operate the Franciscan Treatment Room.

CLOSED SESSION

At this point in the meeting, the Board went into Closed Session to discuss personnel matters.

PUBLIC SESSION

The Board reconvened in Public Session and made the following announcements:

a) That during its Closed Session, the Board reviewed and discussed several staff candidates to serve as Acting General Manager of the Retirement System due to the recent announcement by Daniel Mattrocce, General Manager of the Retirement System, that he will retire from City Service on March 1, 1983.

b) That the Board, by secret ballot, voted to appoint Granville DeMerritt as Acting General Manager of the Retirement System, effective March 1, 1983.

There being no further business, the Board adjourned its meeting at 2:05 p.m.

Respectfully submitted,

DANIEL MATTROCCE
Secretary-General Manager

NOTE: Transcript of meeting, except Closed Session, contains references to meeting items. Court Reporter: Olga Schmitt, CSR

February 22, 1983

RESOLUTION

WHEREAS, Daniel "Dan" Mattrocce, General Manager of the Retirement System, has announced his retirement from City Service, effective March 1, 1983, and

WHEREAS, Dan Mattrocce's retirement will bring to a close a truly outstanding, exceptional and prominent career in City and County Service, spanning more than thirty-eight (38) years, and

WHEREAS, Dan Mattrocce began City Service in 1944 as a Personnel Assistant with the Civil Service Commission, serving said Commission for 15 years, and during which time he steadily advanced to a number of higher positions, culminating in 1959 as the Supervisor of Wage Scales and Classification, and

WHEREAS, Dan Mattrocce was subsequently appointed Secretary-General Manager of the Retirement System in 1959, serving continuously in said position for some 24 years, during which time he conscientiously and expertly directed, managed and guided the Retirement System to such heights of achievement that today the System ranks as one of the finest public retirement systems in the State of California, and which enjoys nationwide recognition as one of the top 100 pension funds in the United States, and

WHEREAS, during Dan Mattrocce's long tenure as General Manager of the Retirement System and Secretary of the Retirement Board, he earned and acquired the utmost respect and admiration of countless elected and appointed officials and department heads, as well as many prominent leaders of the labor, business and management community, and, not the least, the thousands of active and retired members comprising the San Francisco City Employees Retirement System, and

WHEREAS, Dan Mattrocce, an acclaimed alumnus of the University of San Francisco, has compiled a distinguished list of personal achievements, awards and recognitions, including service as President and Executive Officer of the Health Service Board; "Public Employee of the Year" of the Columbus Civic Club of San Francisco; President of the Municipal Executives Association; Instructor in Government, University of San Francisco; and a host of other civic and professional awards, recognitions and memberships, attesting to the boundless prestige and respect Dan has acquired and is held in by his peers, and

WHEREAS, Dan Mattrocce has, for over 38 years, epitomized and exemplified those many qualities and virtues inherent in a dedicated public servant: devoted, loyal and faithful service; adherence to the principles of sound, effective and efficient government; diligent practice of the art of public administration; and successful discharge and fulfillment of the responsibilities and functions required by the numerous laws and statutes of the City and County of San Francisco and the State of California,

NOW, THEREFORE, BE IT RESOLVED, that the Retirement Board and the entire staff of the Retirement System, does herewith congratulate Daniel Mattrocce on the occasion of his retirement from City Service and, with deep and sincere appreciation and gratitude, commend and extoll Daniel Mattrocce for his outstanding service to the City and County of San Francisco and, in particular, his superior and exceptional performance as the General Manager of the Retirement System, and

BE IT FURTHER RESOLVED, that the Retirement Board and Staff extend every good wish to Daniel Mattrocce for a very long, happy, rewarding and well deserved retirement.

This resolution was presented to and adopted by the Retirement Board on the twenty-second day of February in the year One Thousand Nine Hundred and Eighty Three.

Peter D. Ashe, President	Paul F. Denning, Vice-President
Leon Bruschera, Commissioner	Warren J. DeMerritt, Commissioner
Meta K. Stanley, Commissioner	Raymond L. Weisberg, M.D. Commissioner

Wendy Nelder, President
Board of Supervisors

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

MARCH 8, 1983 - 10:00 A. M.

PRESENT	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Leon Bruschera	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting, February 15, 1983

Minutes of Regular Meeting, February 22, 1983

ACTION: Approved as submitted

RETIREMENT BOARD

REGULAR MEETING

MARCH 8, 1983

10:00 A.M.

SPECIAL ORDER

Seating of Raymond L. Weisberg, M.D. As Board Member, Vice Himself:

Raymond L. Weisberg, M.D., was officially seated as a Commissioner of the Retirement Board for a term of office expiring February 20, 1988. Dr. Weisberg was appointed to the Retirement Board vice himself. The Oath of Office was administered by Mayor Dianne Feinstein on February 23, 1983. A copy of the Certificate of Appointment is on file in the Retirement Office. Board Members expressed their pleasure over Dr. Weisberg's reappointment to the Board.

Election of Officers:

In accordance with Board Rule 1, Section 1.03, the Board shall, at its first regular meeting in March of each year, elect one of its members President and one of its members Vice President.

For President: Supervisor Wendy Nelder placed in nomination, Paul Denning; Meta Stanley seconded the nomination. There being no further nominations, Mr. Denning was elected President unanimously.

For Vice President: Warren DeMerritt placed in nomination, Leon Bruschera; Dr. Weisberg seconded the nomination. There being no further nominations, Mr. Bruschera was elected Vice President unanimously.

Mr. Denning thereupon assumed the Chair and thanked the Board for giving him the opportunity to serve as President for the ensuing year.

Peter Ashe, as outgoing President, also thanked the Board Members for their cooperation and assistance during his term of office.

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 18-82.

b) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

David Randleston - $3,000.00

c) W.C.A.B. - COMPROMISE AND RELEASE:

Moustafa Mohamed - $5,025.00

d) W.C.A.B. - COMPROMISE AND RELEASE:

George E. Redondo - $4,500.00

e) W.C.A.B. - COMPROMISE AND RELEASE:

John Sessoms - $6,000.00

f) W.C.A.B. - COMPROMISE AND RELEASE:

Cleveland Vickers - $40,000.00

ACTION: It was moved by Ashe, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 7-0.

INVESTMENTS CALENDAR

ITEM

1. CALLAN ASSOCIATES - MEASUREMENT REPORT:

Quarters Ending September 30, 1982 and December 31, 1982

Representatives of Callan Associates (Edwin Callan, Ronald Peyton and Mark Scott) presented to the Board written and oral reports on the measurement of the Retirement System's investment portfolio for the quarters ending September 30, 1982 and December 31, 1982. Following completion of the written and oral reports, Board Members, Staff and representatives of Callan Associates exchanged views and comments on the contents of the reports. No action was taken by the Board on the reports.

REGULAR CALENDAR

ITEM

1) REPORT RE COST OF LIVING BENEFIT PER THE PROVISIONS OF CHARTER SECTION 8.526:

Clare Murphy, Board Actuary, and William Smith, Consulting Actuary, presented a written and oral report to the Board on the cost-of-living benefit provision set forth in Charter Section 8.526. (Note: During discussion of this item, President Denning left the meeting.) Representatives of the Retired Employees Association spoke to the issue.

The Board, Ms. Murphy, Mr. Smith and Dan Maguire, Legal Counsel, exchanged questions and answers and comments on the subject.

The following resolution was thereupon presented to the Board for its consideration:

It is hereby resolved by the Retirement Board that for 1982 and all future years that the percentage increase or decrease in San Francisco-Oakland California, Consumer Price Index all items (1967=100),as required by Charter Section 8.526,shall be measured as follows:

$$\frac{\begin{array}{l}\text{Annual Average CPI SF-0 current year}\\ -\text{Annual Average CPI SF-0 prior year}\\ \hline \text{Net Change}\end{array}}{\text{Annual Average CPI SF-0 prior year}} = \text{percentage change}$$

ACTION: It was moved by Weisberg, seconded by Ashe, to adopt the proposed resolution; motion passed, 6-0.

With the adoption of the resolution, staff thereupon recommended that the Board approve a two percent (2.0%) cost-of-living adjustment for retired members covered under the provisions of Charter Section 8.526, effective July 1, 1983.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the recommendation; motion passed, 6-0.

NOTE: Supervisor Nelder left the meeting at this point.

GENERAL MANAGER'S REPORT

1. SUTTER MEDICAL GROUP:

   Granville DeMerritt, Acting General Manager, brought to the Board's attention communications to and from Dr. Mitchell H. Koch, Medical Director of the Sutter Medical Group regarding requests for information on the operation of the Franciscan Treatment Room. Rudy Hernandez, Administrator of Retirement Services, explained to the Board the availability of the information requested by Dr. Koch. (Note: Dr. Weisberg left the meeting during discussion of this item.)

   Following a general discussion of this item, the Board instructed Staff to respond to Dr. Koch's request for information. A motion was then made by Ashe, seconded by Stanley, that the Staff's response to Dr. Koch include a statement to the effect that the Board is not now soliciting or accepting bid proposals to operate the Franciscan Treatment Room; on a tie vote, 2-2- (Bruschera-DeMerritt), the motion did not pass.

2. REQUEST TO ATTEND INSTITUTE OF CHARTERED FINANCIAL ANALYSTS' SEMINAR ON MANAGING BOND PORTFOLIOS: San Francisco, Ca., March 23, 24, 1983

   ACTION: A motion was made by DeMerritt, seconded by Stanley, authorizing the Chief Investment Officer and Assistant Chief of Investments to attend the Seminar; motion passed, 4-0.

INVESTMENTS CALENDAR

(Continued)

ITEM

2. PRIVATE PLACEMENT: U. S. Government Backed Securities:

   Arnold Mattay, Assistant Chief of Investments, submitted to the Board a recommended purchase of a private placement of Secured Trust Accrual Receipts (Midland Stars, Inc.), said purchase to cost $11,229,767.37, and to yield 11.55%.

   ACTION: It was moved by DeMerritt, seconded by Stanley, to approve purchase of the private placement; motion passed, 4-0.

3. PROPOSED RESOLUTION RE INVESTING IN CALIFORNIA RESIDENTIAL REAL ESTATE MORTGAGES (AB 3595)

Jack Stoufer, Chief Investment Officer, presented to the Board a proposed resolution, herewith attached to these minutes, to provide that funds may be invested in California residential real estate fixed income investments, provided that the credit quality, yield and other attributes are of the nature of other fixed income investments that are available at any given time; and provided further that the Investment Division may consummate such transactions contingent on the credit quality being equivalent to an A rating or better by national rating services.

ACTION: It was moved by Stanley, seconded by DeMerritt, to adopt the resolution; motion passed, 4-0.

REGULAR CALENDAR

(Continued)

ITEM

2) HEARING OFFICER DECISIONS:

a) GARTLAND, Patrick J.
7334 Stationary Engineer, SFUSD
Ordinary Disability Retirement
Effective Date: July 16, 1982 GRANTED

b) JONES, Wilson Allen
3428 Nursery Specialist, Recreation and Park
Ordinary Disability Retirement
Effective Date: February 20, 1983 GRANTED

c) WEED, Florence
5322 Senior Counselor, Juvenile Court
Ordinary Disability Retirement
Effective Date: March 25, 1982 GRANTED

ACTION: It was moved by Stanley, seconded by DeMerritt, to accept the Hearing Officer decisions; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - Subrogation:

   Gwen Marshall - $750.00

   ACTION: It was moved by Ashe, seconded by DeMerritt, to approve the settlement; motion passed, 4-0.

2. HEARING OFFICER DECISIONS:

   a) GRAUPNER, JR., Horace A.
      H-2 Firefighter, Fire Department
      Industrial Disability Retirement
      Effective Date: March 9, 1982 — GRANTED

   b) MARRACQ, Richard M.
      H-20 Lieutenant, Fire Department
      Industrial Disability Retirement
      Effective Date: March 8, 1982 — GRANTED

   c) O'LEARY, Jerry
      H-20 Lieutenant, Fire Department
      Industrial Disability Retirement
      Effective Date: March 7, 1981 — GRANTED

   d) PAGANELLI, Richard J.
      H-40 Battalion Chief, Fire Department
      Industrial Disability Retirement
      Effective Date: May 7, 1982 — DENIED

   e) SOLVIN, Robert
      H-2 Firefighter, Fire Department
      Industrial Disability Retirement
      Effective Date: August 11, 1982 — DENIED

   ACTION: It was moved by DeMerritt, seconded by Stanley, to accept the Hearing Officer decisions; motion passed, 4-0.

CLOSED SESSION

At this point, the Board went into closed session to discuss pending litigation.

The Board reconvened in public session and announced by a vote of 4-0 to authorize the City Attorney to accept appellant's dismissal of his appeal in Albert v. Retirement Board with each side to bear its own costs of suit. The City's litigation expenses in this case were limited to subpoena fees and were less than $100.00.

Mr. Albert's pending application for a vesting or annuity benefit pursuant to Charter Section 8.586-15 will be processed.

There being no further business,

the Board adjourned its meeting

at 3:20 p.m.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting, except Closed Session, contains references to meeting items. Court Reporter: Olga Hayes Schmitt, CSR

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

MARCH 29, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Wendy Nelder	President, Board of Supervisors
ABSENT	Raymond L. Weisberg, M. D.	Commissioner

MINUTES Minutes of Regular Meeting, March 8, 1983

ACTION: Approved as submitted; President Denning requested that Item No. 3 of Investments Calendar, Resolution Re Investing in California Residential Real Estate mortgages, be recalendered at next meeting.

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 19-82.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Harold Teitler

c) W.C.A.B. - COMPROMISE AND RELEASE:

Paul R. Capelle - $4,000.00

d) W.C.A.B. - COMPROMISE AND RELEASE:

Roberta Stewart - $3,000.00

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

Lawrence Warner

ACTION: Dan Maguire, Legal Counsel, requested that Item e), above, be referred to Closed Session. It was moved by Nelder, seconded by Bruschera, to remove Item e) of the Consent Calendar to Closed Session; motion passed, 6-0.

It was moved by Nelder, seconded by Bruschera, to approve the remainder of the Consent Calendar; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. PROPOSAL FOR ADDITIONAL SERVICES FOR RETIREMENT BOARD ASSETS:

Callan Associates

Representatives of Callan Associates presented a written and oral proposal to the Board to serve as Consultant to the Board and Investments Staff on all investment matters. The Board,

staff and representatives of Callan Associates exchanged views and comments relative to the proposal.

ACTION: The Board referred the proposal to staff for study, with instructions to report back its findings and recommendations at the next meeting.

2. REDEVELOPMENT AGENCY - YERBA BUENA CENTER INVESTMENT PROPOSAL:

Representatives of the San Francisco Redevelopment Agency appeared before the Board to request that the Board authorize staff to negotiate with the Redevelopment Agency for the purpose of granting a loan to the Redevelopment Agency in the amount of $15.7 million for purchase of certain defined property with the Yerba Buena Center area, and $10.6 million for debt restructuring.

ACTION: It was moved by Bruschera, seconded by Nelder, to authorize staff to negotiate with the Redevelopment Agency regarding the requested loan and to report back to the Board at its next meeting; motion passed, 5-1 (Ashe.)

NOTE: Supervisor Nelder left the meeting at this point.

3. PROXY VOTE: GOODYEAR TIRE AND RUBBER COMPANY

Florida Power and Light Company

The Board took the following action on proxy ballots:

GOODYEAR TIRE AND RUBBER COMPANY

Shareholder Proposals:	For	Against
1. Disclose remuneration of all Directors who are officers of Company or its subsidiaries.	4	1
2. Make available written and oral transcripts of Shareholder Meetings of Company.	4	1

FLORIDA POWER AND LIGHT COMPANY

Shareholder Proposals:	For	Against
1. Use nominating committee, with majority of outside directors.	5	0
2. Restore pre-emptive rights to common stockholders.	4	1

REGULAR CALENDAR

ITEM

1) REVIEW OF DRAFT LEGISLATION: Definition of Beneficiary

Clare Murphy, Board Actuary, presented to the Board proposed amendments to Sections 16.75, 16.79 and 16.80 of the Administrative Code, relating to retirement and death benefits, and eliminating the requirement that named beneficiaries have an insurable interest in the employee. (Proposed amendments herewith attached to these minutes.)

ACTION: It was moved by Bruschera, seconded by Stanley, to approve the proposed amendments to Sections 16.75, 16.79 and 16.80 of the Administrative Code and that staff submit the proposed amendments to the Board of Supervisors for action and approval; motion passed, 5-0.

2) REQUEST TO DESTROY RECORDS:

Rudy Hernandez, Manager of Retirement Services, presented to the Board a request, as submitted by the Controller's Office, to destroy various obsolete and unneeded records.

ACTION: It was moved by Stanley, seconded by Bruschera, to approve the request to destroy records; motion passed, 5-0.

3) HEARING OFFICER DECISIONS:

a) EDLUND, Frank L.
2914 Social Worker Supervisor
Ordinary Disability Retirement
Effective Date: March 9, 1983 GRANTED

b) SCARPULLA, Frank A.
Fire - Inspector
Determination and Industrial Disability Retirement
Effective Date: April 15, 1982 GRANTED AFTER REHEARIN(

ACTION: It was moved by Stanley, seconded by Bruschera, to accept the Hearing Officer decisions; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

ITEM

1. VOLUNTARY SERVICE RETIREMENT LIST, NO. 20-82

ACTION: It was moved by Stanley, seconded by Bruschera, to approve the Voluntary Service Retirement List, No. 20-82; motion passed, 5-0.

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Sonia M. Reyes

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve the request to withdraw funds from the Deferred Compensation Plan; motion passed, 5-0.

3. W.C.A.B. - COMPROMISE AND RELEASE:

Billy Ellis - $45,000.00

ACTION: It was moved by DeMerritt, seconded by Bruschera, to approve the compromise and release; motion passed, 5-0.

4. REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT:

Michael C. Helgeson

ACTION: It was moved by Stanley, seconded by Bruschera, to approve the request to withdraw application for ordinary disability; motion passed, 5-0.

GENERAL MANAGER'S REPORT

Granville DeMerritt, Acting General Manager, rendered an oral report to the Board on various activities concerning his office and the Retirement System.

CLOSED SESSION

At this point in the meeting, the Board went into closed session to consider and discuss pending litigation.

The Board reconvened in public session and announced that by a vote of 5-0 the Board accepted the recommendation of Mr. Maguire, Legal Counsel, to accept the third party settlement in the Lawrence Warner injury case.

In the case of Smith v. City and County of San Francisco, the Board accepted Mr. Maguire's recommendation that no appeal be filed.

There being no further business,

the Board adjourned its meeting

at 2:20 p. m.

Respectfully submitted,

Granville DeMerritt

Granville DeMerritt
Acting Secretary-General Manager

NOTE: Transcript of meeting, except Closed Session, contains references to meeting items. Court Reporter: Carolyn Wilson, CSR

March 29, 1983

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

APRIL 12, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting, March 29, 1983

ACTION: Approved as submitted

President Denning announced that the Board, at the conclusion of the meeting, will offer condolences and testimonies on the untimely death of Congressman Phillip Burton.

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 21-82.

b) CORRECTION OF BIRTHDATE: Lorna K. Chernisheff

c) W.C.A.B. - COMPROMISE AND RELEASE:

Anthony P. Simat - $3,000.00

d) W.C.A.B. - COMPROMISE AND RELEASE:

Frankie Holtz Davis - $1,000.00

e) REQUEST FROM STAFF TO DISMISS APPLICATION FOR ORDINARY DISABILITY RETIREMENT: Annie W. Williams

f) W.C.A.B. - COMPROMISE AND RELEASE:

Sylvan Bonn (Robert Bonn, deceased) - $25,000.00

ACTION: It was moved by Weisberg, seconded by Ashe, to remove Item d), above, to the Supplemental Calendar; motion passed, 6-0. It was moved by Weisberg, seconded by Bruschera, to approve the remainder of the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1) PRESENTATION RE ACCOUNTING STUDY - Arthur Andersen & Company:

Representatives of Arthur Andersen and Company (James Hudak and Richard Boulger, Jr.) rendered a written and oral report to the Board on the current status of the Accounting Systems Upgrade Project, explaining in detail the different phases of the Project and the goals, objectives and strategies applicable to the Project. Board members and the Arthur Andersen representatives exchanged questions and answers and viewpoints concerning the information presented in the written and oral reports.

ACTION: This was an information item only.

2) APPROVAL OF CONTRACT FOR ACTUARIAL SERVICES RE SAFETY EMPLOYEES - Milliman and Robertson:

Clare Murphy, Board Actuary, presented to the Board for its approval a contract authorizing the Board's Consulting Actuaries, Milliman and Robertson, to conduct an actuarial cost report on a prospective charter amendment to provide separate retirement benefits for employees classified as "Safety Members", said report pursuant to Board of Supervisors Resolution 873-82, and at a cost not to exceed $20,000.00.

ACTION: It was moved by Stanley, seconded by Ashe, to approve the contract; motion passed, 6-0.

3) HEARING OFFICER DECISIONS:

a) McKLEM, Russell P.
H32 Captain, S.F.F.D.
Industrial Disability Retirement
Effective Date: March 26, 1980 — DENIED

c) MOREY, Matilda C. (Widow of Herbert)
Motorcycle Officer, S.F.P.D.
Continuation of Retirement Allowance — GRANTED

ACTION: It was moved by Stanley, seconded by Ashe, to accept the Hearing Officer decisions; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. REDEVELOPMENT AGENCY - YERBA BUENA CENTER INVESTMENT PROPOSAL:

   Staff presented to the Board a written and oral report in response to a request from the San Francisco Redevelopment Agency that the Retirement Board consider granting the Redevelopment Agency a loan in the amount of approximately $28 million for the purchase of Yerba Buena Center property and for debt restructuring. Mr. Redmond F. Kernan, III, Deputy Executive Director of the Redevelopment Agency, also addressed the Board.

CLOSED SESSION

At this point in the meeting the Board went into Closed Session to consider the Board's legal position with respect to the Redevelopment Agency's request for a $28 million loan. The Board received written and oral advice and consultation from representatives of the legal firm of Csaplar & Bok.

The Board reconvened in public session and announced that based on pertinent legal advice and a determination that the requested loan lacked sufficient guarantees vis-a-vis the proposed and projected return on the investment, the Board rejected the request.

The Board announced also that, by a vote of 6-0, it had approved the transmittal of a letter to the Redevelopment Agency as prepared by staff and representatives of Csapar & Bok; said letter explaining the Board's reasons for rejecting the requested loan.

2. CALLAN ASSOCIATES - REPORT RE REQUEST TO SERVE AS INVESTMENTS CONSULTANTS:

   Staff presented a written and oral report to the Board in response to a request from Callan Associates to service the Board as investment consultants.

   ACTION: It was moved by Weisberg, seconded by Stanley, to notify Callan Associates that the Board, at this time, is not considering proposals or requests to contract for additional investment services, but that the Board sincerely appreciates the offer set forth by Callan Associates; motion passed, 6-0.

NOTE: Dr. Weisberg left the meeting at this point.

3. RESOLUTION RE CALIFORNIA RESIDENTIAL REAL ESTATE INVESTMENTS:

ACTION: It was moved by Stanley, seconded by Ashe, to adopt the resolution, as amended; motion passed, 5-0. (Note: Resolution is herewith attached to these minutes.)

4. PROXY VOTE: AMERICAN TELEGRAPH AND TELEPHONE COMPANY:

WEYERHAEUSER COMPANY:

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

Shareholder Proposals:	For	Against
1. Disclosure of all consultants fees and recipients and who in the Company recommended them.	1	4
2. Restore pre-emptive rights to common shareholders.	4	1
3. Send FORM IOK (S.E.C. report) to all shareholders with annual report.	0	5
4. Do not renew contract to manage Sandia National Laboratories.	0	5
5. Nominate for corporate directors representatives of employee labor organizations.	3	2
6. Amend corporation By-Laws to require each director to own at least 500 shares of the common stock.	1	4

WEYERHAEUSER COMPANY

Shareholder Proposals:	For	Against
1. Withhold corporate contributions to universities known to be obstructing the work of United States intelligence agencies.	0	5
2. Withhold corporate contributions to educational institutions which forbid military recruitment on campus.	0	5

SUPPLEMENTAL CALENDAR

ITEM

1. HEARING OFFICER DECISIONS:

   a) CAPPADONA, Peter D.
   Q380 Inspector, S.F.P.D.
   Industrial Disability Retirement
   Effective Date: February 16, 1982 — DENIED

   b) JAMES, Ruth
   2320 Registered Nurse, Public Health, SFGH
   Ordinary Disability Retirement
   Effective Date: May 1, 1981 — DENIED

   c) LEE, Roland Douglas
   H2 Firefighter, S.F.F.D.
   Determination — DENIED

   ACTION: It was moved by Stanley, seconded by Bruschera, to accept the Hearing Officer decisions; motion passed, 5-0.

2. W.C.A.B. - COMPROMISE AND RELEASE:

   Anthony P. Simat - $3,000.00

   (This item was carried over from the Consent Calendar.)

   ACTION: It was moved by Stanley, seconded by Ashe, to approve the settlement as so indicated; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The Acting General Manager rendered an oral report to the Board on various activities and projects involving his office and the Retirement System.

BOARD MEMBERS

The Board instructed the Acting General Manager to ascertain the availability of Dr. Marshall Blume, Wharton School of Finance, to address the Board on subjects pertaining to the Board's investment and fiduciary responsibility.

Each Board member, at this point, expressed sincere condolences on the untimely death of Congressman Phillip Burton and instructed the Acting General Manager to convey to Congressman Burton's widow the Board's sorrow at his passing and the widespread esteem in which Congressman Burton was held by all members of the Board.

At the same time, the Acting General Manager was instructed to convey similar sentiments to the widow of John "Jack" O'Meara. Mr. O'Meara, who recently passed away, served on the Retirement Board from February 1964 to February 1969 and was a Past President of the Retirement Board.

There being no further business, the Board adjourned its meeting at 3:30 PM in memory of Congressman Phillip Burton and Past President John O'Meara.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting, except Closed Session, contains references to meeting items. Court Reporter: Richard Walker, CSR

April 12, 1983

RESOLUTION

WHEREAS, Financial Code Sections 13000-1 direct the Retirement Board to "give first priority to investing not less than 25 percent of all funds which become available in a fiscal year for new investments, in obligations secured by a lien or charge solely on residential realty, including rental housing, located in the state...."; and

WHEREAS, Financial Code Sections 13000-1 maintain the requirement that such investments meet prudent investment standards;

NOW, THEREFORE, BE IT RESOLVED, that the Retirement Board directs the Investment Division to continue to seek investments including, but not limited to, California residential real estate fixed income investments, provided that the credit quality, yield and other attributes are of the nature of other fixed income investments that are available at any given time; and

BE IT FURTHER RESOLVED, that the Investment Division may consumate such transactions as long as their credit quality is the equivalent of an A rating or better by the national rating services; and

BE IT FURTHER RESOLVED, should any such investment be without an active public secondary market, such investment and/or purchase shall require prior approval of the Retirement Board.

Adopted by Retirement Board April 12, 1983

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

APRIL 26, 1983 - 9:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting: April 12, 1983

ACTION: Approved as submitted

QUARTERLY INVESTMENT MEETING

INVESTMENTS CALENDAR

ITEM

I PRESENTATION BY EQUITY INVESTMENT MANAGERS RE EQUITY INVESTMENTS FOR QUARTER ENDING DECEMBER 31, 1982:

Representatives of the following firms, Investment Managers of the equity portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of equity investments for the quarter ending March 31, 1983:

a) Loomis, Sayles & Company

b) Crocker Investment Management Corporation

c) Eaton & Howard, Vance Sanders

The Board engaged in a question and answer period with each firm. It was the recommendation of each firm that the Board allocate new funds (cash flow) into equities for the ensuing quarter.

II REVIEW AND DISCUSSION OF BOND PORTFOLIO AND TRANSACTIONS FOR THE QUARTER ENDING MARCH 31, 1983:

Jack Stoufer, Chief Investment Officer, rendered a written and oral report to the Board on the status of the bond portfolio and bond transactions for the quarter ending March 31, 1983. The Board engaged in a question and answer period with Mr. Stoufer regarding the transactions for the quarter.

NOTE: Supervisor Nelder left the meeting at this point in the meeting

III REVIEW AND DISCUSSION OF INTERNALLY MANAGED COMMON STOCK AND CONVERTIBLE BOND PORTFOLIO FOR THE QUARTER ENDING MARCH 31, 1983:

Jack Stoufer, Chief Investment Officer, presented a written and oral report to the Board on internally managed common stock and convertible bond portfolio for the quarter ending March 31, 1983. The Board reviewed and discussed the report.

IV RECOMMENDED INVESTMENT POLICY AND ALLOCATION OF FUNDS FOR THE PERIOD ENDING JULY 31, 1983:

Mr. Stoufer presented to the Board a recommended policy for the investment and allocation of funds for the period ending July 31,

1983 (see attached.) The Board reviewed and discussed the recommendation policy.

ACTION: It was moved by Weisberg, seconded by Ashe, to adopt the recommended investment policy and to allocate $16,930,000.00 to equities for the period ending July 31, 1983, said allocation to be divided equally among the Board's money managers; motion passed, 5-0 (Bruschera not present.)

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 22-82.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Honor B. Dixon

c) STAFF REQUEST TO DISMISS APPLICATION FOR ORDINARY DISABILITY

RETIREMENT: Ernest S. Hayles, Sr.

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

William Pasquinelli - $6,000.00

e) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Peggy Hawkins - $8,500.00

ACTION: It was moved by Ashe, seconded by Bruschera, to approve the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1) REQUEST TO APPROVE CONTRACT TO CONDUCT CIVIL SERVICE EXAMINATIONS FOR INVESTMENTS DIVISION POSITIONS:

Education/Research, Inc.

Rudy Hernandez, Manager of Retirement Services, presented a written and oral report to the Board requesting that the Board approve a contract with Education/Research, Inc. in the amount of $23,500, subject to approval of the Civil Service Commission, in order to conduct civil service examinations for several positions in the Investments Division.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the request; motion passed, 6-0.

2) REQUEST THAT CONTROLLER CONDUCT AUDIT OF RETIREMENT SYSTEM ACCOUNTS IN ACCORDANCE WITH CHARTER SECTION 3.303:

Rudy Hernandez, Manager of Retirement Services, presented a written and oral report to the Board requesting that the Board request the making of an audit of the Retirement System by the Controller, as set forth in charter section 3.303, and that the Board authorize the expenditure of $8,000.00 to defray the costs of said audit by the firm of Peat, Marwick, Mitchell & Company.

ACTION: It was moved by Weisberg, seconded by Ashe, to approve the request; motion passed, 6-0.

3) HEARING OFFICER DECISIONS:

a) FAWN, May
Controller's Office - 1864 Sr. System Analyst
Ordinary Disability Retirement
Effective Date: January 6, 1983 GRANTED

b) JACOBS, Jessie J.
S. F. Port Commission - 7514 General Laborer
Ordinary Disability Retirement
Effective Date: July 13, 1982 GRANTED

c) JAMES, L. C.
Dept. of Electricity - 7514 General Laborer
Ordinary Disability Retirement
Effective Date: May 11, 1983 GRANTED

e) POLOS, Constantine H.
Building Repair Division - 7344 Carpenter, DPW
Ordinary Disability Retirement
Effective Date: October 1, 1981 GRANTED

ACTION: It was moved by Bruschera, seconded by Stanley, to accept the Hearing Officer decisions; motion passed, 6-0.

GENERAL MANAGER'S REPORT

Granville DeMerritt, Acting General Manager, presented to the Board an Activity Report consisting of the following items:

a) Proposal from Mitchell H. Koch, M. D., Medical Director, Sutter Medical Clinic, to Operate the Franciscan Treatment Room.

b) Status of Plan re Temporary Employees Qualifying for Permanent Appointment.

c) Personnel Status - Investments Division.

d) Status of Public Pension Investment Project (PPIP) Proposal re Investment in California Real Estate Mortgages.

e) Proposed Charter Amendment - Charter Section 3.670.

f) Legal Opinion re Uniformed Members of Police-Fire Departments Continuing to Work Beyond Mandatory Retirement Age of 65.

Mr. Maguire, Legal Counsel, reviewed with the Board a City Attorney's Opinion relative to Item f), above.

NOTE: Dr. Weisberg left at this point in the meeting.

SUPPLEMENTAL CALENDAR

ITEM

1. W.C.A.B. - COMPROMISE AND RELEASE:

   Richard A. Arambula - $10,000.00

   ACTION: It was moved by Ashe, seconded by Stanley, to approve the compromise and release; motion passed, 5-0.

2. SETTLEMENT OF DISPUTED CLAIM - Subrogation:

   James Seim - $148.25

   ACTION: It was moved by DeMerritt, seconded by Ashe, to approve the settlement; motion passed, 5-0.

3. W.C.A.B. - COMPROMISE AND RELEASE:

Robert Medina - $6,510.00

ACTION: It was moved by Ashe, seconded by Stanley, to approve the compromise and release; motion passed, 5-0.

BOARD MEMBERS

Commissioner DeMerritt informed the Board that a former member of the Retirement Board, H. Brodie Stephens, M. D., had recently passed away. It was moved by DeMerritt, seconded by Bruschera, that the Board adjourn its meeting on this date in memory of Dr. H. Brodie Stephens; motion passed, 5-0.

There being no further business, the Board adjourned its meeting at 2:35 PM in memory of former Board Member, Dr. H. Brodie Stephens.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Rebecca Luce

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD
ENDING JULY 31, 1983

FUNDS ANALYSIS

*Cash available for investment as of April 20, 1983		$162,872,000
Projected net cash additions to the portfolio for the ensuing three months		16,930,000
Total funds available		$179,802,000
Less:		
Funds previously allocated for bond purchases	$ 88,831,000	
Funds previously allocated for California Residential Mortgages	25,000,000	
Funds previously allocated for stock purchases	49,041,000	
Funds previously allocated for equity real estate	-0-	$162,872,000
		$ 16,930,000

RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD ENDING JULY 31, 1983

	$	%
Funds invested in bonds:		
Funds invested in equity real estate mortgages:		
Funds invested in real estate equity:		
Funds invested in common stock:		
Crocker Investment Management Corporation		
Eaton and Howard, Vance Sanders Incorporated		
Loomis-Sayles-and-Company Incorporated		
Total new funds available for investments	$16,930,000	

* Temporarily invested in money market instruments

Prepared by the Retirement Investment Staff

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

MAY 10, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Leon Bruschera	Vice-President
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting: April 26, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 23-82.

b) APPLICANT'S REQUEST TO DISMISS APPLICATION FOR DETERMINATION:

Nicholas M. Allen

c) APPLICANT'S REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Michael F. Moysard

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Carlos Guillen - $1,686.25

e) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Robert D. Symonds - $2,500.00

f) W.C.A.B. - COMPROMISE AND RELEASE:

Odell Holcomb - $3,442.50

g) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Frank Evans - $2,000.00

ACTION: It was moved by Ashe, seconded by Stanley, to approve the Consent Calendar; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. PRIVATE PLACEMENT: Aetna Life & Casualty Co., Lessee

Jack Stoufer, Chief Investment Officer, rendered an oral report to the Board on the definition of and the results obtained from

investing in "private placements", and explained the function of a "zero coupon note".

Stoufer then presented a written and oral report on the Aetna Life & Casualty Company private placement investment, requesting that the Board approve purchase of the private placement in the amount of $8,251,116.00.

ACTION: It was moved by Weisberg, seconded by DeMerritt to approve the private placement; motion passed, 5-0.

2. STAFF REQUEST TO EMPLOY REAL ESTATE AND LEGAL COUNSEL RE INVESTMENT IN REAL ESTATE MORTGAGES:

Staff, including Legal Counsel, recommended to the Board that, in light of the requirements set forth in the Bosco Bill re investing in California residential real estate mortgages, expert or special legal counsel and real estate consultants be retained on an "as needed" basis.

ACTION: It was moved by Weisberg, seconded by Stanley, that staff prepare a resolution for the Board's consideration at its next meeting, said resolution embodying the concept put forth by staff; motion passed, 5-0.

SUPPLEMENTAL INVESTMENT CALENDAR

ITEM

1. PROXY VOTE:

TIME INCORPORATED

Shareholder Proposals:	FOR	AGAINST
a) Limit charitable and educational gifts to direct furtherance of business interests of the corporation.	0	5

GENERAL MOTORS

a) Disclose all consultants, fees paid to them, who in corporation recommended them, and if professors, charitable donations to their universities.	1	4

b) Restore limited pre-emptive rights to stockholders.	2	3
c) Starting in 1984, make outside directors ineligible for renomination if they have been on the Board more than seven years.	1	4

FEDERAL NATIONAL MORTGAGE ASSN.

a) Disclose all consultants, fees paid to them, who in corporation recommended them, and if professors, charitable donations to their universities.	1	4
b) Each director and each executive officer of the corporation must own at least 500 shares of the corporation's stock.	0	5

2. PRIVATE PLACEMENT - Archer Midland Company:

STARS (Secured Trust Accrued Receipts)

Jack Stoufer, Chief Investment Officer, requested the Board's approval to purchase a private placement, Crocker Midland Company, in the amount of approximately $10 million.

ACTION: It was moved by Stanley, seconded by Weisberg, to authorize staff to purchase the private placement in the amount of approximately $10 million, provided that the credit quality is rated AAA; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1) PROPOSED CHARTER AMENDMENTS:

Sections 3.670, 8.350 and 8.518, 8.509 and 8.584, and 8.515

Granville DeMerritt, Acting General Manager, presented to the Board a series of staff recommendations to amend various sections of the charter relative to the Retirement Board, the Retirement System and Workers' Compensation benefits. The Board reviewed and discussed the proposed charter amendments, recommending several changes thereto.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to authorize submission to the Board of Supervisors the following proposed charter amendments for the November 1983 election:

a) Section 3.670 Board Composition (as amended)

b) Section 8.350 Disability Transfers and Section 8.518 Hearing Officer

c) Section 8.509 Miscellaneous Employees (before November 1, 1976) and Section 8.584 (on or after November 1, 1976) Note: In skeletal form only.

d) Section 8.515 Compensation Insurance Payments; motion passed, 5-0.

2) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Dennis M. Russell

ACTION: It was moved by Weisberg, seconded by Stanley, to defer action on the request pending receipt of further information; motion passed, 5-0.

3) PROPOSED AMENDMENTS TO RETIREMENT BOARD RULES:

Rule 5 - Application for Benefits

Rule 10 - Medical Examiners

Staff presented to the Board two proposed amendments to the Rules of the Retirement Board: Adding new Section 5.06 Effective Date of Retirement; and amending Section 10.02 Medical Treatment For Disabled Retirees.

ACTION: It was moved by Weisberg, seconded by DeMerritt, that in accordance with Board Rule 1, Section 1.09, the two proposed rule changes be posted for one week and acted on by the Board at its next meeting; motion passed, 5-0.

4) HEARING OFFICER DECISION:

KINDREGAN, Frank M.
Log Cabin Ranch - 8326 Assistant Director
Ordinary Disability Retirement
Effective Date: November 1, 1982 GRANTED

ACTION: It was moved by Weisberg, seconded by Stanley, to accept the Hearing Officer decision; motion passed, 5-0.

GENERAL MANAGER'S REPORT

1. ACTIVITY REPORT:

Granville DeMerritt, Acting General Manager, presented to the Board an Activity Report consisting of the following items:

a) Proposal from Mitchell H. Koch, M. D., Medical Director, Sutter Medical Clinic, to operate the Franciscan Treatment Room.

b) Proposal from Public Pension Investment Project (PPIP) Re Investment in California Real Estate Mortgages.

c) Finance Committee action re Mayor's Pension Task Force.

d) Meeting held with Mayor's Fiscal Advisory Committee on 4/27/83.

e) Meeting held with Committee of Grand Jury on 5/5/83.

f) Civil Service and General Administration Committee action re amendments to Sections 16.75, 16.79 and 16.80 of Administrative Code (Death Benefits.)

g) Meeting held with representatives of Development Corporation for Israel re purchase of State of Israel bonds.

h) Meeting held with General Manager, Personnel re examination for General Manager's position.

With respect to a), above, the Board confirmed that it is not now seeking nor requesting bid proposals to operate the Franciscan Treat Room.

With respect to b), above, the Board was addressed by a representative of PPIP and a representative of Mortgage Guaranty Insurance Corporation (MGIC.)

2. REQUEST TO SEND A STAFF MEMBER TO MUNICIPAL FINANCE OFFICERS ASSOCIATION ANNUAL CONFERENCE IN TORONTO, CANADA, JUNE 12-15, 1983.

ACTION: It was moved by DeMerritt, seconded by Stanley, to approve the request; motion passed, 5-0.

BOARD MEMBERS

The Board went on record congratulating F. Walter Johnson on his recent reelection to the Health Service Board.

There being no further business,

the Board adjourned its meeting

at 3:30 p. m.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Richard Walker, CSR

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

MAY 31, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting: May 10, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 24-82.

b) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Michael Boxley - $7,651.44

c) W.C.A.B. - COMPROMISE AND RELEASE:

Shelby Ryan - $33,000.00

d) W.C.A.B. - COMPROMISE AND RELEASE:

Ruby Fuller - $3,100.00

e) W.C.A.B. - COMPROMISE AND RELEASE:

Harold Fricke - $4,500.00

f) SETTLEMENT OF DISPUTED CLAIM - Subrogation

Richard D. McCabe - $3,750.00

g) STAFF'S REQUEST TO DISMISS APPLICATION FOR DETERMINATION:

Wayne Smith

h) CORRECTION OF BIRTHDATE: Lodee P. Spears

10/24/1927 to 11/10/1918

i) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Edward Wiltz - $800.00

ACTION: It was moved by Bruschera, seconded by Stanley, to approve the Consent Calendar; motion passed, 5-0 (Weisberg not present.)

INVESTMENTS CALENDAR

ITEM

1. PERFORMANCE MEASUREMENT FOR PERIOD ENDED MARCH 31, 1983:

   Callan Associates

   Representatives of Callan Associates (Edwin C. Callan and Ronald Peyton) rendered a written and oral report to the Board on the performance measurement of the Retirement System's portfolio, including that of the Board's outside money managers, for the period ended March 31, 1983. The Board, Callan Associates and Investment Division staff engaged in a series of questions and answers relative to the performance measurement report. (NOTE: Dr. Weisberg arrived during discussion of this item.)

   ACTION: Information item only.

2. PROPOSAL TO INVEST IN CALIFORNIA RESIDENTIAL MORTGAGES:

   Public Pension Investment Project - Mortgage Guaranty Insurance Corporation

   Staff presented to the Board a proposal from Mortgage Guaranty Insurance Corporation for purchase of first mortgage loan pass - through certificates in an amount of up to approximately $25 million. The following representatives addressed the Board on this proposal: Richard A. Mason, Mortgage Guaranty Insurance Corporation; Tom Leatherwood, Public Pension Investment Project; and Maurice Jourdain-Earl, MJE Investment Group (on behalf of staff.) Granville DeMerritt, Acting General Manager, Jack Stoufer, Chief Investment Officer, and Dan Maguire, Legal Counsel, also addressed the Board on various features of the proposal. The Board representatives and staff engaged in a series of questions and answers regarding the proposal.

   ACTION: It was moved by Ashe, seconded by DeMerritt, that the Retirement Board approve the proposal to purchase $25 million of First Mortgage Pass-Through Certificates and that staff be directed to negotiate with MGIC to incorporate, as much as practical, the proposals submitted by MGIC and PPIP by letter dated May 25, 1983; motion passed, 5-1 (Denning.)

3. PROPOSED RESOLUTION RE EMPLOYMENT OF EXPERT CONSULTANTS:

The proposed resolution, herewith attached to these minutes, was presented to the Board for adoption. The proposed resolution, in accordance with Board action at its meeting of May 10, 1983, was prepared for submission to the Board at this time.

ACTION: It was moved by Ashe, seconded by Bruschera, to adopt the resolution; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1) INVESTMENTS DIVISION BUDGET FOR FISCAL 1983-84:

Rudy Hernandez, Manager of Retirement Services and Accounting, and Jack Stoufer, Chief Investment Officer, reviewed with the Board the proposed Investment Division Budget for fiscal 1983-84.

ACTION: It was moved by Weisberg, seconded by Ashe, to approve the Investments Division budget for fiscal 1983-84; motion passed, 6-0.

2) PROPOSED AMENDMENTS TO RETIREMENT BOARD RULES:

a) Rule 5 Application for Benefits (Section 5.06)

b) Rule 10 Medical Examiners (Section 10.02)

In accordance with Board Rule 1, Section 109, the proposed rule amendments, presented to the Board at its meeting of May 10, 1983, and posted for seven days, came before the Board for final approval.

ACTION: It was moved by Weisberg, seconded by Stanley, to approve the adding of Section 5.06 Effective Date Of Retirement, to Rule 5 Application For Benefits; motion passed, 6-0.

It was moved by Weisberg, seconded by DeMerritt, to approve the amendment to Section 10.02 Medical Treatment For Disabled Retirees, Rule 10 Medical Examiners; motion passed, 6-0.

3) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Dennis M. Russell

ACTION: Over to meeting of June 14, 1983

4) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Lorenzo D. Ursua

ACTION: Over to meeting of June 14, 1983

5) HEARING OFFICER DECISIONS:

a) BARCOJO, John
Fire - H2 Firefighter
Industrial Disability Retirement
Effective Date: February 8, 1983 GRANTED

b) BRYANT, Whitfield
Municipal Railway - 9140 Transit Manager 1
Ordinary Disability Retirement
Effective Date: December 18, 1982 GRANTED

c) DANIEL, Beverly
SFUSD - 1450 Principal Clerk Steno
Ordinary Disability Retirement
Effective Date: January 1, 1983 GRANTED

d) DIXON, Fletcher D.
Municipal Railway - 7332 Machinist
Ordinary Disability Retirement
Effective Date: January 1, 1983 GRANTED

e) GRANGOFF, Beatrice
Water Department - 1478 Senior Clerk
Ordinary Disability Retirement
Effective Date: August 25, 1982 GRANTED

f) HUDDLESTON, Michael
Police - Q2 Police Officer
Determination GRANTED

g) HYBLOOM, Kenneth
Social Services - 1426 Senior Clerk Typist
Ordinary Disability Retirement
Effective Date: April 29, 1982 GRANTED

h) KINCHEN, Pearline
Laguna Honda Hospital - 2302 Orderly
Ordinary Disability Retirement
Effective Date: December 1, 1981 DENIED

i) MACAULAY, Jeanette A. (John S.)
Police - Sergeant
Death Allowance
Effective Date: July 17, 1982 GRANTED

j) PRITCHARD, Rilla M.
Hetch Hetchy - 1760 Offset Press Operator
Ordinary Disability Retirement
Effective Date: April 1, 1982 GRANTED

k) SULLIVAN, Christopher B.
Police - Q60 Inspector
Determination GRANTED

l) WALTERS, Patrick A.
Fire - H2 Firefighter
Industrial Disability Retirement
Effective Date: February 10, 1983 GRANTED

Dan Maguire, Legal Counsel, recommended that the Board approve his request to petition the Hearing Officer to rehear the Hearing Officer's decision on John Barcojo (Item No. 5a, above.)

ACTION: It was moved by Bruschera, seconded by Weisberg, to instruct Legal Counsel to petition for rehearing on the John Barcojo decision; motion passed, 6-0.

It was then moved by Weisberg, seconded by Stanley, to accept the Hearing Officer decisions, as modified with respect to the John Barcojo decision; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Warren T. Robinson, Jr.

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the request; motion passed, 6-0.

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Sherrill L. Tolley

ACTION: It was moved by Stanley, seconded by DeMerritt, to approve the request; motion passed, 5-0 (Weisberg not present.)

GENERAL MANAGER'S REPORT

1. ACTIVITY REPORT

Granville DeMerritt, Acting General Manager, presented to the Board an Activity Report consisting of the following items:

a) That a request to the Board to purchase State of Israel Floating Prime Rate Notes in the amount of $5 million will be presented to the Board at its next meeting, June 14, 1983. Staff was instructed to furnish the Board with a copy of staff's previous memorandum on this subject.

b) That staff has been advised that there are nine (9) charter amendments proposed for the November 1983 Municipal Election which affect the Retirement System; said amendments will be brought before the Board for the Board's information and action.

c) That he and Dr. Weisberg had met with medical staff of St. Francis Memorial Hospital regarding the list of Franciscan Treatment Room referral physicians.

d) That plans to improve work space requirements at St. Francis Memorial Hospital are currently in the development stage.

NOTE: Dr. Weisberg left the meeting at this point.

2. REQUEST TO ATTEND MONEY MANAGEMENT WORKSHOP -

Wharton School of Finance - September 12-16, 1983

ACTION: It was moved by Ashe, seconded by Stanley, authorizing the Acting General Manager to attend the Money Management Workshop at Wharton School of Finance, September 12-16, 1983; motion passed, 5-0.

INVESTMENTS CALENDAR (continued)

PRESENTATION RE MONITORING MONEY MANAGERS:

Pension Research Institute - San Francisco State University

Two graduate students from San Francisco State University, Edna E. Tidwell and Andrew R. Bergeron, presented a written and oral report to the Board on a research project under the auspices of the Pension Research Institute, Dr. Frank A. Sortino, Director. The Board expressed its appreciation to Ms. Tidwell and Mr. Bergeron for their fine presentation, and to Dr. Sortino who was in attendance during the presentation.

BOARD MEMBERS

1. SCHEDULE OF CONFERENCES, WORKSHOPS, ETC.

   The Board was furnished a schedule of conferences, institutes and workshops for the remainder of calendar year 1983. This item to be scheduled at the next meeting, June 14, 1983, for action.

2. LIST AND LOCATION OF REAL ESTATE HOLDINGS

   A list of the location of Retirement System real estate holdings was distributed to the Board for its information.

There being no further business, the Board adjourned its meeting at 3:10 P.M. in honor and in memory of all U. S. Service dead (Memorial Day) and in honor of the memory of Thomas Mellon, former Chief Administrative Officer, recently deceased.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMerritt
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Olga Schmidt, CSR

May 31, 1983

RESOLUTION

WHEREAS, the Retirement Board, as fiduciaries of the Retirement System Fund, will, from time to time, consider or act on investment proposals relating, but not limited, to California residential real estate mortgages as provided in AB 3593, the Bosco Bill, and

WHEREAS, in the exercise of its fiduciary responsibility related to said investments, the Retirement Board will need and require expert legal, real estate and investment advice, NOW

THEREFORE, BE IT RESOLVED, that the Retirement Board authorizes staff to employ the services of expert legal, real estate and investment counsel at such time or times that the Board considers or acts on investment proposals related, but not limited, to the requirements of the Bosco Bill, and

BE IT FURTHER RESOLVED, that employment of said expert legal, real estate and investment counsel shall only be on an "as-needed" basis when the necessary expertise is not available within City Service, the fees and costs thereof, as may be required, from the Investment Fund.

This resolution was presented to and approved by the Retirement Board at its meeting of May 31, 1983

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

JUNE 14, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	Wendy Nelder	President. Board of Supervisors

MINUTES Minutes of Regular Meeting: May 31, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 25-82.

b) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Barbara George - $1,650.00

c) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Charles Holmes - $3,750.00

d) W.C.A.B. - COMPROMISE AND RELEASE:

Robert Daly - $35,000.00

e) W.C.A.B. - COMPROMISE AND RELEASE:

Leo Lucero - $10,000.00

f) W.C.A.B. - COMPROMISE AND RELEASE:

Ruth Parker - $25,000.00

g) W.C.A.B. - COMPROMISE AND RELEASE:

Gerald Shaughnessy - $500.00

h) W.C.A.B. - COMPROMISE AND RELEASE:

Betty Warren - $10,000.00

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 6-0 (Nelder not present.)

INVESTMENTS CALENDAR

ITEM

1. REQUEST FROM DEVELOPMENT CORPORATION FOR ISRAEL TO PURCHASE STATE OF ISRAEL FLOATING PRIME RATE NOTES:

   (Note: Supervisor Nelder arrived at this point in the meeting)

   Mr. Gerald Schoen, representing the Development Corporation For Israel, addressed the Board on this item. Stan Smith, representing the San Francisco Building Trade Council, and Walter Johnson, representing the Retail Clerks Union, also addressed the Board in support of the request. The Board and staff reviewed and discussed the terms and conditions of the requested purchase. Dan Maguire, Legal Counsel, requested that the Board go into closed session prior to the Board acting on the request. President Denning thereupon ordered a closed session to discuss legal matters relative to the requested purchase.

CLOSED SESSION

The Board and staff met in closed session to be advised by Legal Counsel on legal and related questions involving the purchase of Israel Floating Prime Rate Notes.

PUBLIC SESSION

The Board reconvened in public session and President Denning announced that in closed session, the Board had determined that action on the request to purchase Israel Floating Prime Rate Notes would be deferred to the next Board meeting pending receipt of a City Attorney's opinion on legal issues involved in the purchase.

Note: Supervisor Nelder left the meeting at this point.

REGULAR CALENDAR

ITEM

1) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Dennis M. Russell

ACTION: It was moved by Weisberg, seconded by DeMerritt, to deny the request; motion passed, 5-0 (Bruschera not present.)

2) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Lorenzo D. Ursua

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the request; motion passed, 5-0. (Bruschera not present.)

INVESTMENTS CALENDAR
(continued)

2. INVESTMENT REPORTS:

Jack Stoufer, Chief Investment Officer, rendered written and oral reports to the Board on the following subjects:

a) Custodian Fees

b) Private Placements and Zero Coupon Bonds

c) Internally Managed Equity Investments

ACTION: This was an information only item.

Note: President Denning left at this point in the meeting.

3. STAFF UPDATE RE NEGOTIATIONS WITH MORTGAGE GUARANTY INSURANCE CORPORATION:

Staff rendered an oral report to the Board on the status of negotiations with Mortgage Guaranty Insurance Corporation regarding the Board's prior action in authorizing purchase of first mortgage loan pass-through certificates of approximately $25 million.

ACTION: This was an information only item.

REGULAR CALENDAR
(continued)

3) HEARING OFFICER DECISIONS:

a) AXELSEN, Leroy
Water Dept. - 7205 Chief Stationary Engineer
Ordinary Disability Retirement
Effective Date: May 1, 1983 GRANTED

b) FINIS, Kenneth A.
DPH, C.M.H.S. - 2574 Clinical Psychologist
Ordinary Disability Retirement
Effective Date: June 30, 1983 GRANTED

c) McRAY, SR., Calvin B.
MUNI - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date: March 1, 1983 GRANTED

d) SMITH, Benny L.
MUNI - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date: October 17, 1981 DENIED

ACTION: It was moved by DeMerritt, seconded by Ashe, to accept the Hearing Officer decisions; motion passed, 5-0

4) REPORT FROM ACTUARY RE WASHINGTON, D. C. LEGISLATIVE UPDATE AND E. H. FRIEND PUBLIC PENSION CONFERENCE:

ACTION: Over to meeting of June 28, 1983

5) PROPOSED CHARTER AMENDMENTS:

Staff presented to the Board the following proposed charter amendments currently pending in Committee of the Board of Supervisors:

a) Section 8.506-2 Miscellaneous Safety Employees

ACTION: It was moved by Weisberg, seconded by Stanley, to oppose the proposed charter amendment; motion passed, 5-0.

b) Section 8.526 Cost of Living Adjustment

ACTION: It was moved by Ashe, seconded by Stanley, to support the proposed charter amendment; motion passed, 5-0.

c) Sections 8.559-11, 8.585-11, 8.586-11 and 8.588-11 - Sources of Funds (Police and Fire)

ACTION: It was moved by Weisberg to oppose the proposed charter amendment based on the special group coverage of the proposal; motion died for lack of a second.

It was then moved by Stanley, seconded by Ashe, to take no position on the proposed amendment pending receipt of further information and actuarial data; motion passed, 5-0.

GENERAL MANAGER'S REPORT

1. ACTIVITY REPORT:

The Acting General Manager's Activity Report is to be submitted in writing to Board members.

BOARD MEMBERS

SELECTION OF CONFERENCES, INSTITUTES AND WORKSHOPS:

Board members designated in writing their preferences for attendance at various International Foundation conferences, institutes and workshops for calendar year 1983. The Board approved attendance of Board members as contained in the list herewith attached to the minutes.

There being no further business, the Board adjourned its meeting at 1:35 p.m.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Carolyn Wilson, CSR

CONFERENCES FOR BOARD MEMBERS

Name	Conferences	Dates
Peter Ashe and Warren DeMerritt	Annual Education Conference New Orleans, Louisiana	Nov. 11-16, 1983
Meta K. Stanley	Advanced Money Management Workshop Philadelphia, Pennsylvania (Wharton)	Oct. 12-14, 1983

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

JUNE 28, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting: June 14, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 1-83

b) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Charles J. Keohane - $2,500.00

c) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Michael Sullivan - $40,000.00

d) W.C.A.B. - COMPROMISE AND RELEASE:

John Gianakas - $500.00

ACTION: It was moved by Ashe, seconded by Stanley, to approve the Consent Calendar; motion passed, 5-0 (Weisberg not present.)

REGULAR CALENDAR

ITEM

1) REPORT RE COMPENSATION DIVISION MANAGEMENT STUDY:

Alexander & Alexander Company

Faith Lamberts, Vice-President of Alexander & Alexander, rendered a written and oral report to the Board regarding implementation of the management information system recently installed in the Workers' Compensation Division. Ms. Lamberts and the Board and Staff engaged in a question and answer period regarding the contents of the written and oral reports.

NOTE: Dr. Weisberg arrived at meeting during discussion of this item.

ACTION: Information item only.

2) REQUEST TO APPROPRIATE $50,000 RE CONTINUATION OF ACCOUNTING STUDY:

Arthur Andersen & Company

Rudy Hernandez, Manager of Retirement Services, and Alyce Wong, Project Manager, rendered a written and oral report to the Board requesting modification of the contract with Arthur Andersen & Company for continuation of the Accounting and Management Information System Upgrade Project at an additional cost of $50,000. The Board and Staff exchanged questions, answers and comments relative to the report and request.

ACTION: It was moved by Ashe, seconded by Stanley, to approve the request to appropriate $50,000 to continue the Accounting Study; motion passed, 6-0.

3) STAFF'S REQUEST TO AMEND INDUSTRIAL DISABILITY RETIREMENT APPLICATION PURSUANT TO CHARTER SECTION 8.586-3:

Paul Foster

Dan Maguire, Legal Counsel, addressed the Board regarding this item, recommending that the Board amend Paul Foster's application for industrial disability retirement to include non-industrial medical evidence.

ACTION: It was moved by Stanley, seconded by Ashe, to approve staff's request to amend Paul Foster's application for industrial disability retirement to include non-industrial medical evidence; motion passed, 5-1 (Bruschera.)

4) HEARING OFFICER DECISIONS:

a) ANDERSON, Donald L.
Police - Police Officer
Industrial Disability Retirement
Effective Date - July 26, 1983 GRANTED

b) BRAGG, Dolores (Allyn)
Police - Police Officer
Death Allowance GRANTED

c) BURNS, Robert J.
Fire - H20 Lieutenant
Industrial Disability Retirement
Effective Date - February 28, 1983 GRANTED

d) DAVIS, Early L.
Fire - Firefighter
Determination GRANTED

e) DeLOACH, JR., Cecil O.
Fire - Firefighter
Ordinary Disability Retirement
Effective Date - May 24, 1983 GRANTED

f) FISCHER, Carlos B.
Fire - Firefighter
Industrial Disability Retirement
Effective Date - November 30, 1982 GRANTED

g) MALMAN, Greta (Norman L.)
Fire - Firefighter
Continuation of Retirement Allowance GRANTED

h) MOLINARI, David (Deceased)
Municipal Railway - 7332 Machinist
Ordinary Disability Retirement
Effective Date - February 1, 1983 GRANTED

i) REARDON, James F.
Water Department - 7470 Watershed Keeper
Ordinary Disability Retirement
Effective Date - May 16, 1983 GRANTED

j) TYRELL, Thomas F.
Police - Inspector
Determination GRANTED

ACTION: It was moved by Stanley, seconded by DeMerritt, to accept the Hearing Officer decisions; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. REQUEST FROM DEVELOPMENT CORPORATION FOR ISRAEL TO PURCHASE STATE OF ISRAEL FLOATING PRIME RATE NOTES:

This item was held over from the Board's meeting of June 14, 1983, pending receipt of an opinion from Legal Counsel regarding the prudency of the requested purchases. Staff and Legal Counsel submitted memoranda recommending that the Board not purchase the Notes. The Board and staff exchanged questions, answers and comments regarding the requested purchase and the staff's recommendations thereto.

ACTION: It was moved by Stanley, seconded by Bruschera, not to purchase the Israel Floating Prime Rate Notes;

It was moved by Weisberg, as an amendment to the motion, to table the request to purchase the Israel Floating Prime Rate Notes, seconded by Bruschera; amendment to motion failed, 2-4 (Ashe, DeMerritt, Denning and Stanley.)

The main motion not to purchase the Israel Floating Prime Rate Notes was then passed, 4-2 (DeMerritt and Weisberg.)

2. Jack Stoufer, Chief Investment Officer, informed the Board that the Retirement System, as informed by the Federal Deposit Insurance Corporation, will be paid the remaining outstanding balance of $450,000 re the Franklin National Bank 4 3/4% capital debentures.

GENERAL MANAGER'S REPORT

The Acting General Manager rendered an oral report on the status of certain proposed charter amendments affecting the Retirement System. In that regard, a letter was presented to the Board from SEIU 390/400 requesting that the Board withdraw its endorsement of a proposed charter amendment amending Section 8.515 Compensation Insurance Payments pending further review and discussion of the proposal.

ACTION: It was moved by Ashe, seconded by Stanley, to withdraw the proposed amendment to Section 8.515 to allow for further review and discussion with employee organizations;

It was moved by Weisberg as an amendment to the motion that the first part of the proposed charter amendment stand as is and that only the second part be with-

drawn, seconded by DeMerritt; amendment to motion failed, 2-4 (Ashe, Bruschera, DeMerritt and Stanley.)

The main motion to withdraw the proposed amendment was then passed, 5-1 (Denning.)

There being no further business, the

Board adjourned its meeting at 12:30 PM.

Respectfully submitted

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Olga Schmidt, CSR

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

JULY 12, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Meta K. Stanley	Commissioner
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting: June 28, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 2-83

b) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Robert Brady - $1,166.00 plus $672.82 Property Damage

c) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Allan D. Hansen - $874.60

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Rudolph Koch - $5,000.00

e) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

William Lake - $5,000.00

f) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Jimmy S. McMullen - $965.18

g) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Matthew J. Riordan - $275.00

h) W.C.A.B. - COMPROMISE AND RELEASE:

Joseph Peterson - $12,500.00

i) REQUEST TO DISMISS APPLICATION FOR DEATH ALLOWANCE:

Alice R. Grant - (Widow of Edward J. Grant)

j) REQUEST TO CORRECT DATE OF BIRTH: Earl L. Powell

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the Consent Calendar; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. REQUEST TO INCREASE ANNUAL FIXED-FEE:

   Loomis-Sayles and Company, Inc.

   Representatives of Loomis-Sayles and Company appeared before the Board to request an increase in annual fees for services rendered as an Equity Investment Manager for the Retirement System. The Board, representatives of Loomis-Sayles and Company and staff engaged in comments and questions and answers regarding the request.

   ACTION: It was moved by Bruschera, seconded by Ashe, to increase the annual fixed-fee for Loomis-Sayles and Company from $150,000 per annum to $225,000 per annum, effective July 1, 1983; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1) CONTRACT RENEWAL FOR ACTUARIAL CONSULTING SERVICES:

   Milliman and Robertson, Inc., Consulting Actuaries

   Clare Murphy, Staff Actuary, presented a written and oral report to the Board on renewal of the contract for actuarial consulting services as set forth in Charter Section 3.672.

   ACTION: It was moved by Bruschera, seconded by Weisberg to approve renewal of consulting actuarial services by Milliman and Robertson, Inc., Consulting Actuaries, for the period July 1, 1983 through June 30, 1984, for a fee not to exceed $32,500.00; motion passed, 5-0.

2) CONTRACT TO CONDUCT ACTUARIAL REPORTS:

   a) Investigation Into Plan Experience; b) Valuation Study:

Milliman and Robertson, Inc., Consulting Actuaries

Clare Murphy, Staff Actuary, presented a written and oral report to the Board on contractual services for the conduct of an investigation into plan experience and a valuation study, as set forth in Charter Section 8.510. The Board reviewed and discussed the report and the requirements set forth in Charter Section 8.510.

ACTION: It was moved by Bruschera, seconded by Weisberg, to approve the making of an investigation into plan experience and an actuarial valuation study by Milliman and Robertson, Inc., Consulting Actuaries, at a sum not to exceed $120,000.00; motion passed, 5-0.

NOTE: Mr. Denning left the meeting at this point.

3) REPORT RE STATUS OF CHARTER AMENDMENTS FOR NOVEMBER 8, 1983 BALLOT:

Granville DeMerritt, Acting General Manager, and Clare Murphy, Staff Actuary, reviewed with the Board the current status of charter amendments proposed for the November 8, 1983, ballot, particularly those amendments pertaining to or reflecting on the Retirement System: (List of proposed amendments herewith attached to these minutes.) Comments, questions and answers ensued between the Board and Staff on the proposed charter amendments.

ACTION: No action taken; information item only.

4) COMMUNICATION RE NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS:

The Board was presented a communication from Victor A. Miller, Secretary, National Conference On Public Employee Retirement Systems, concerning membership in said Conference. The Board reviewed and discussed the communication.

ACTION: It was moved by Ashe that the Retirement Board apply for membership in the National Conference On Public Employee Retirement Systems at a fee of $200 per annum; the motion died for lack of a second. At the request of Dr. Weisberg, the communication was put over pending receipt of additional information regarding membership in the National Conference.

5) HEARING OFFICER DECISIONS:

a) BERTI, David
Police - Police Officer
Determination — GRANTED

b) O'DONNELL, Frederick J.
Fire - H30 Captain
Industrial Disability Retirement
Effective Date - April 1, 1982 — DENIED

c) PERRY, Adrine
Laguna Honda Hospital - 2302 Orderly
Ordinary Disability Retirement
Effective Date - December 1, 1982 — GRANTED

d) SHUEY, G. Michael
Fire - H2 Firefighter
Ordinary Disability Retirement
Effective Date - November 1, 1981 — GRANTED

e) TREACY, Margaret (Richard)
Police - Police Officer
Death Allowance — GRANTED

Dan Maguire, Legal Counsel, informed the Board that it was his intention to file a petition for rehearing of the decision on David Berti (a), above). It was moved by Weisberg, seconded by Ashe, that Legal Counsel file a petition for rehearing on the David Berti case; motion passed, 4-0.

ACTION: It was moved by Weisberg, seconded by Ashe, to accept the Hearing Officer decisions, except the David Berti decision; motion passed, 4-0.

6) RESOLUTION COMMENDING FRED A. SEBASTINELLI ON THE OCCASION OF HIS RETIREMENT:

Staff presented a resolution to the Board commending Fred A. Sebastinelli on the occasion of his retirement from City Service, in particular, his long service as Security Analyst with the Retirement System.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to adopt the resolution; motion passed, 4-0.

GENERAL MANAGER'S REPORT

Granville DeMerritt, Acting General Manager, rendered an oral report to the Board on the following matters:

1) That the Civil Service Commission had approved our request for a personal services contract to provide security services at 770 Golden Gate Avenue, but that the City Purchaser would allow the contract on an interum basis only pending submission of a contract proposal under Charter Section 8.300-1 (Prop. J proposal.) Staff is currently preparing the proposal which will be submitted to the Board for its approval.

2) That staff had held a "get-acquainted" and informational meeting with the City and County's newly-appointed Safety Officer; that a coordinated safety plan will be developed between our office and the Safety Office; and that Walter Johnson will serve as Liaison Officer between the Retirement System and the Safety Office.

3) That the PPIP-MGIC Mortgage Program was proceeding on schedule; that five lenders had been selected to administer the loan program; and that a press conference to advertise the program will be conducted shortly.

4) That the Annual Public Employee Pension Conference of the International Foundation will be held in Seattle, Washington, August 3-6, 1983.

ACTION: It was moved by Weisberg, seconded by Ashe, that a staff member be authorized to attend the Conference; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

ITEM

1. W.C.A.B. - COMPROMISE AND RELEASE:

Robert Guidice - $9,000.00

ACTION: It was moved by Weisberg, seconded by Ashe, to approve the compromise and release; motion passed, 4-0.

2. W.C.A.B. - COMPROMISE AND RELEASE:

Carlton Rivers - $12,500.00

ACTION: It was moved by Weisberg, seconded by Ashe, to approve the compromise and release; motion passed, 4-0.

3. W.C.A.B. - COMPROMISE AND RELEASE:

Connie R. Wally - $750.00

ACTION: It was moved by Weisberg, seconded by Ashe, to approve the compromise and release; motion passed, 4-0.

There being no further business, the Board adjourned its meeting at 1:15 PM.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Olga Schmidt, CSR

PROPOSED CHARTER AMENDMENTS

FOR NOVEMBER 1983 ELECTION

1. Charter Amendment - amending the Charter by amending Section 3.502 thereof, requiring the Board of Supervisors' approval of contracts in excess of ten years or involving the expenditure of one million dollars or more. File No. 278-83-1 (Molinari)

   Charter Amendment - amending the Charter by amending Section 3.502 thereof, requiring the Board of Supervisors' approval of contracts involving the expenditure of one million dollars or more. File No. 278-83-2 (Walker)

   ACTION TAKEN: Not calendared

2. Charter Amendment - adding Sections 3.530-3 and 8.506-3 thereto, providing for the transfer of the San Francisco Housing Authority Police to the City and County of San Francisco and for retirement benefits. File No. 290-83 (Ward)

   ACTION TAKEN: Over to next Committee meeting

3. Charter Amendment - amending Section 3.670 thereof, removing the appointment of the Secretary-General Manager of the Retirement System from Civil Service and redefining the terms of office for Mayoral appointees to the Retirement Board. File No. 279-83 (Nelder)

   ACTION TAKEN: Do pass - to full Board of Supervisors

4. Charter Amendment - amending Section 8.105 thereof, relating to officers' compensated advocacy before City and County Boards and Commissions. File No. 201-83 (Kopp)

   ACTION TAKEN: Tabled

5. Charter Amendment - amending Sections 8.350 and 8.518 thereof, providing for disability transfers as an alternative to disability retirements. File No. 280-83 (Nelder)

   ACTION TAKEN: Do pass, as amended - to full Board of Supervisors

6. Charter Amendment - amending Section 8.405 to provide that sworn police personnel on duty between the hours of 6pm and 6am shall be compensated at an hourly rate 6 1/2 % above the established hourly rate for such personnel. File No. 283-83 (Nelder)

   ACTION TAKEN: Over to next Committee meeting

7. Charter Amendment - amending Section 8.405 thereof, to allow Police officer/firefighters rates of compensation to be fixed by the Board of Supervisors annually on August 25, and to allow the Board to further raise annual rates of compensation if any city in California with a population of 350,000 or more sets a higher rate after August 25. File No. 284-83 (Molinari)

   ACTION TAKEN: Do pass - to full Board of Supervisors

8. Charter Amendment - adding Section 8.506-2 thereto, relating to miscellaneous safety employees. File No. 265-83

   ACTION TAKEN: Do pass - to full Board of Supervisors

9. Charter Amendment - adding Sections 8.509 and 8.584-5 thereof, establishing retirement allowance for the qualified heirs of city employees killed in the line of duty. File No.

   ACTION TAKEN: Not calendared

10. Charter Amendment - amending Sections 8.509 and 8.584-2, establishing minimum retirement allowances. File No. 255-83

    ACTION TAKEN: Not calendared

11. Charter Amendment - amending Section 8.515 thereof, relating to the administration of Workers Compensation and insurance coverage relating thereto. File No. 282-83 (Nelder)

    ACTION TAKEN: Withdrawn

12. Charter Amendment - amending Section 8.526, relating to cost-of-living adjustments for miscellaneous employees. File No. 270-83 (Nelder)

    ACTION TAKEN: Do pass - to full Board of Supervisors

13. Charter Amendment - amending Sections 8.559-11, 8.585.-11, 8.586-11 and 8.588-11, eliminating employee contributions to the Retirement System for police officers and firefighters who achieve the years of service necessary to receive the maximum percentage of pension benefits. File No. 263-83

    ACTION TAKEN: Tabled

14 Miscellaneous Safety Plan

   ACTION TAKEN: Charter amendment is in development stage only

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

JULY 26, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Warren J. DeMerritt	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Wendy Nelder	President, Board of Supervisors
ABSENT	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Meta K. Stanley	Commissioner

MINUTES Minutes of Regular Meeting: July 12, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 3-83

b) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Mary J. Black - $10,000.00

c) W.C.A.B. - COMPROMISE AND RELEASE:

Eddy L. Castiglioni - $700.00

d) REQUEST TO DISMISS APPLICATION FOR DETERMINATION:

Donald E. Sweeney

e) REQUEST TO CORRECT DATE OF BIRTH:

Ching-Sen Yeung

ACTION: It was moved by Nelder, seconded by Weisberg, to approve the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1) ACTUARIAL REPORT RE PROPOSED CHARTER AMENDMENT TO ESTABLISH A MISCELLANEOUS SAFETY RETIREMENT PLAN:

Mr. William Smith, Consulting Actuary, submitted a written and oral actuarial report to the Board on a prospective charter amendment to provide Safety Member benefits for certain employees now covered by the Miscellaneous Plan, per Board of Supervisors Resolution No. 873-82. Board members, Mr. Smith and staff engaged in questions, answers and comments concerning the actuarial report.

ACTION: It was moved by Weisberg, seconded by Nelder, to accept the Actuarial Report and to submit the Actuarial Report to the Board of Supervisors per Board of Supervisors Resolution No. 873-82; motion passed, 4-0.

NOTE: In conjunction with the Actuarial Report, staff was instructed to submit to the Board of Supervisors a statistical analysis of the experience of plan members covered by this proposal re death benefits, disability benefits, worker compensation benefits and related.

2) REPORT RE STATUS OF CHARTER AMENDMENTS FOR NOVEMBER 8, 1983 BALLOT:

The Acting General Manager submitted a written and oral report to the Board on the current status of proposed charter amendments for the November 8, 1983 ballot. A discussion ensued regarding several of the proposed amendments.

ACTION: No action taken; information item only.

3) REPORT RE SUBROGATION SETTLEMENT: William Lake

At the request of the Board at its meeting of July 12, 1983, a written report was submitted to the Board on this item.

ACTION: No action taken; information item only.

4) HEARING OFFICER DECISIONS:

a) CHANEY, Larry
Public Health - 2528 Medical Steward
Ordinary Disability Retirement
Effective Date - September 1, 1981 GRANTED

Dan Maguire, Legal Counsel, informed the Board that he was petitioning for a rehearing of this decision.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to authorize Legal Counsel to petition for a rehearing of the Chaney decision; motion passed, 3-1 (Nelder).

b) McSWEENEY, Timothy
Fire - H2 Firefighter
Industrial Disability Retirement
Effective Date - October 6, 1983 GRANTED

ACTION: It was moved by Weisberg, seconded by Nelder, to accept the Hearing Officer decision; motion passed, 4-0.

c) PANACCI, Frank
Police - Q2 Police Officer
Industrial Disability Retirement
Effective Date - February 25, 1981 DENIED

ACTION: It was moved by Weisberg, seconded by DeMerritt, to accept the Hearing Officer decision; motion did not pass by virtue of tie vote; 2-2 (Denning and Nelder)

Panacci decision over to meeting of August 9, 1983.

REQUEST FOR RECONSIDERATION

Supervisor Nelder requested reconsideration of the Board's action at its meeting of June 28, 1983, denying a request from the Development Corporation For Israel to purchase State of Israel Floating Prime Rate Notes. President Denning ordered that the request for reconsideration be calendared at the next Board meeting, August 9, 1983.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST TO AUTHORIZE ACCESS TO RETIRED ROLLS:

ACTION: Over to meeting of August 9, 1983.

2. SETTLEMENT OF DISPUTED CLAIM - Subrogation:

William P. Dyer - $3,875.00

3. SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Rickey Ivy - $1,000.00

4. SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Robert A. Pardini - $4,654.84

5. SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Jesus Pinon - $250.00

ACTION: It was moved by Weisberg, seconded by Nelder, to approve items No. 2, 3, 4 and 5 of the Supplemental Calendar; motion passed, 4-0.

NOTE: Supervisor Nelder left the meeting at this point.

GENERAL MANAGER'S REPORT

1. ACTIVITY REPORT:

The Acting General Manager rendered the following Activity Report:

a) A memorandum was submitted to the Board recommending that staff be authorized to prepare a Board Resolution granting authority to staff to routinely approve WCAB Compromises and Releases which do not exceed $2500 per case. The Board instructed the Acting General Manager to submit a proposed resolution for the Board's consideration at a future meeting.

b) That he had received a reply from the National Conference On Public Employee Retirement Systems (NCPERS) to a request from the Board for additional information on the makeup of the NCPERS membership. The communication will be calendared at a future Board meeting.

c) That, due to action taken by the City Attorney, the Legal Staff assigned to the Retirement System has been reduced by one Attorney whose major work involved subrogation cases. Mr. Maguire explained to the Board the reasons for the personnel change. The Acting General Manager will communicate with the City Attorney regarding this matter and will report back to the Board.

d) That there was a press conference in the Mayor's Office on July 21, 1983, arranged by PPIP, re the Retirement System's investment of $25 million in California residential mortgages. Board members requested that the Board, in the future, be advised of all such happenings.

BOARD MEMBERS

The Acting General Manager was instructed to prepare a letter for the signature of the Board President to the Board of Supervisors expressing the Board's opposition to the proposed charter amendment authorizing certain members of the System to contract with PERS for coverage under the PERS Safety Plan.

President Denning suggested that staff consider preparation of a monthly statistical report to the Board on the market value of the Retirement System's portfolio. The Acting General Manager will confer with the Chief Investment Officer regarding this suggestion.

President Denning also requested an update report at a future meeting on the progress of the examination program for the Chief and Assistant Chief of Investments.

There being no further business, the Board adjourned its meeting at 1:25 p.m.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Rebecca Luce, CSR

July 26, 1983

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

AUGUST 9, 1983 - 9:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting - July 26, 1983

ACTION: Approved as submitted

QUARTERLY INVESTMENT MEETING

INVESTMENTS CALENDAR

ITEM

I PRESENTATION BY EQUITY INVESTMENT MANAGERS RE EQUITY INVESTMENTS FOR QUARTER ENDING JUNE 30, 1983:

Representatives of the following firms, Investment Managers of the equity portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of equity investments for the quarter ending June 30, 1983:

a) Loomis, Sayles & Company

b) Crocker Investment Management Corporation

c) Eaton & Howard, Vance Sanders

The Board engaged in a question and answer period with each firm.

II REVIEW AND DISCUSSION OF BOND PORTFOLIO AND TRANSACTIONS FOR THE QUARTER ENDING JUNE 30, 1983:

Jack Stoufer, Chief Investment Officer, rendered a written and oral report to the Board on the status of the bond portfolio and bond transactions for the quarter ending June 30, 1983. The Board engaged in a question and answer period with Mr. Stoufer regarding the transactions for the quarter.

III REVIEW AND DISCUSSION OF INTERNALLY MANAGED COMMON STOCK AND CONVERTIBLE BOND PORTFOLIO FOR THE QUARTER ENDING JUNE 30, 1983:

Jack Stoufer, Chief Investment Officer, presented a written and oral report to the Board on internally managed common stock and convertible bond portfolio for the quarter ending June 30, 1983. The Board reviewed and discussed the report.

IV RECOMMENDED INVESTMENT POLICY AND ALLOCATION OF FUNDS FOR THE PERIOD ENDING OCTOBER 31, 1983:

Mr. Stoufer presented to the Board a recommended policy for the investment and allocation of funds for the period ending October 31, 1983 (see attached).

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the recommended investment policy and to allocate $19,500,000 to fixed instruments other than equities for the period ending October 31, 1983; motion passed, 6-0.

The Board and Staff, including Mr. Ed Callan of Callan Associates, reviewed and discussed the Board's current policy and format for the conduct of the Quarterly Investments Meetings. Staff will report back to the Board on recommendations for revision of the policy and format.

NOTE: Dr. Weisberg left the meeting at this point.

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 4-83

b) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

John Grizzel - $10,000.00

c) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Claude L. Haynie - $900.00

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Valerie Street - $2,500.00

e) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Richard Thompson - $1,829.70

f) W.C.A.B.- COMPROMISE AND RELEASE:

Betty B. Brooks - $9,316.00

g) W.C.A.B. - COMPROMISE AND RELEASE:

Rolando A. Callorina - $1,470.00

h) W.C.A.B. - COMPROMISE AND RELEASE:

Antone M. Ruis - $350.00

i) REQUEST TO DISMISS APPLICATION FOR ORDINARY DISABILITY RETIREMENT:

Laura L. Craig

ACTION: It was moved by Bruschera, seconded by Stanley, to approve the Consent Calendar; motion passed, 5-0.

SPECIAL ORDER

REQUEST FOR RECONSIDERATION OF BOARD ACTION OF JUNE 28, 1983, DENYING REQUEST TO PURCHASE STATE OF ISRAEL FLOATING PRIME RATE NOTES:

ACTION: Over to meeting of August 30, 1983

REGULAR CALENDAR

ITEM

1) REQUEST TO CONTRACT-OUT SECURITY GUARD SERVICES:

ACTION: It was moved by Ashe, seconded by Bruschera, to proceed with the contracting-out process pending a meet and confer meeting with SEIU Local 390/400; motion passed, 5-0.

2) CONTRACT FOR DATA PROCESSING SYSTEMS DEVELOPMENT CONSULTING SERVICES: Cyberserv International Company, August 1, 1983 - June 30, 1984:

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the contract for the period August 1, 1983 - June 30, 1984, at a cost of $30,000; motion passed, 5-0.

3) COMMUNICATION FROM NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS:

(Over from meeting of 7/12/83)

ACTION: It was moved by Bruschera, seconded by Ashe, that the Retirement System apply for membership in the National Conference at a cost of $200 per year; motion passed, 5-0.

4) ADJUSTMENT OF RETIREMENT ALLOWANCE: Clarence N. Williams

From 50% to 78%

(Requires ballot vote)

ACTION: By a ballot vote of 5-0, the Board approved the adjustment of Clarence N. Williams' retirement allowance from 50% to 78%, effective July 29, 1982.

5) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Miguel Cosio, Jr.

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the request to withdraw $800.00 from the Deferred Compensation Plan; motion passed, 5-0.

6) HEARING OFFICER DECISIONS:

a) BOOKER, Frank
Social Services - 2905 Eligibility Worker
Ordinary Disability Retirement
Effective Date - September 22, 1981 GRANTED

b) DENNIS, Edward J.
Police - Inspector
Determination GRANTED

c) FLAMER, Edward
Airport - 2708 Custodian
Ordinary Disability Retirement
Effective Date - May 1, 1983 GRANTED

d) FULLER, Bobby Joe
Public Works, Building Repair - 2708 Custodian
Ordinary Disability Retirement
Effective Date - October 16, 1982 GRANTED

e) HELENA, Julio
Sheriff's Department - Deputy
Industrial Disability Retirement
Effective Date - October 11, 1981 GRANTED

f) LINDSAY, Mary Sue
Laguna Honda Hospital - 2302 Orderly
Ordinary Disability Retirement
Effective Date - December 1, 1982 GRANTED

g) PANACCI, Frank
Police - Q2 Police Officer
Industrial Disability Retirement
Effective Date - February 25, 1981 DENIED
(OVER FROM MEETING OF 7/26/83)

h) RANSOM, Christopher
Municipal Railway - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date - November 1, 1982 GRANTED

ACTION: It was moved by Bruschera, seconded by DeMerritt, to accept the Hearing Officer decisions, with the exception that the Julio Helena decision shall be petitioned for rehearing by Legal Consel; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Stephen John Gudelj

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the request to withdraw all available funds from the Deferred Compensation Plan; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The Acting General Manager rendered the following reports to the Board:

1. STATUS OF PROPOSED CHARTER AMENDMENTS FOR NOVEMBER 8, 1983 BALLOT:

   The Acting General Manager and Clare Murphy, Board Actuary, rendered a written (see attached) and oral report on the final action taken by the Board of Supervisors on a number of proposed charter amendments for the November 8, 1983 ballot.

2. ACTIVITY REPORT:

   a) That the initial examination process for Chief Investment Officer and Assistant Chief of Investments is nearing completion, the results of which will be presented to the Board at its next meeting

   b) That the Board of Supervisors had approved the Retirement System budget for fiscal 1983-84, the results of which were deemed satisfactory to staff.

   c) That the first results of the Civil Service Commission Accelerate Testing Program for temporary employees may cause the possible displacement of 12 Retirement System employees.

BOARD MEMBERS

Commissioner DeMerritt sadly announced the recent passing away of Clayton Lyon, M. D., who served as a member of the Retirement Board, from June 1975 to August 1978, and requested that the Board adjourn its meeting in memory of Dr. Lyon.

There being no further business, the Board adjourned its meeting at 3:45 p.m. in memory of Clayton Lyon, M. D.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Richard Walker, CSR

August 9, 1983

August 5, 1983

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD
ENDING OCTOBER 31, 1983

FUNDS ANALYSIS

*Cash Available for investment as of July 31, 1983		$102,117,000
Projected net cash additions to the portfolio for the ensuing three months		19,500,000
Total funds available		121,617,000
Less:		
Funds previously allocated for bond purchases	$ 45,356,000	
Funds previously allocated for California Residential Mortgages Fidelity only	14,000,000	
Funds previously allocated for stock purchases	42,761,000	
Funds previously allocated for equity real estate	-0-	$102,117,000
		$ 19,500,000

RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD ENDING OCTOBER 31, 1983

	%	$
Funds invested in bonds:		
Funds invested in equity real estate mortgages:		
Funds invested in real estate equity:		
Funds invested in common stock:		
Crocker Investment Management Corporation		
Eaton and Howard, Vance Sanders Incorporated		
Loomis-Sayles-and-Company Incorporated		
Total new funds available for investments	100%	$ 19,500,000

* Temporarily invested in money market instruments

STATUS OF PROPOSED CHARTER AMENDMENTS

1. Charter Amendment - adding Section 3.530-3 and 8.506-3 thereto, providing for the transfer of the San Francisco Housing Authority Police to the City and County of San Francisco and for retirement benefits. File No. 290-83 (Ward)

   STATUS: Approved for November ballot

2. Charter Amendment - amending Section 3.670 thereof, removing the appointment of the Secretary-General Manager of the Retirement System from Civil Service and redefining the terms of office for Mayoral appointees to the Retirement Board. File No. 279-83 (Nelder)

   STATUS: Rejected (4-7)

3. Charter Amendment - amending Sections 8.350 and 8.518 thereof, providing for disability transfers. File No. 280-83 (Nelder)

   STATUS: Approved for November ballot, as amended

4. Charter Amendment - amending Section 8.405 thereof, to allow police officer/firefighters rates of compensation to be fixed by the Board of Supervisors annually on August 25, and to allow the Board to further raise annual rates of compensation if any city in California with a population of 350,000 or more sets a higher rate after August 25. File No. 284-83 (Molinari)

   STATUS: Approved for November ballot

5. Charter Amendment - adding Section 8.506-2 thereto, relating to miscellaneous safety employees. Provides coverage under PERS Safety Plan. File No. 265.83

   STATUS: Approved for November ballot, as amended

6. Charter Amendment - amending Section 8.526, relating to cost-of-living adjustments for miscellaneous employees. File No. 270.83 (Nelder)

   STATUS: Approved for November ballot

7. Miscellaneous Safety Plan

   STATUS: In development state; actuarial report prepared per Board of Supervisors Resolution

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

AUGUST 30, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Leon Bruschera	Vice-President
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting - August 9, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 5-83

b) W.C.A.B. - COMPROMISE AND RELEASE:

Bennie Bradford - $25,000.00

c) W.C.A.B. - COMPROMISE AND RELEASE:

Harris J. Norman - $2,000.00

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Kenneth E. Hartman - $3,000.00

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Floyd M. Pitts

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Daniel A. Flanagan

g) REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Conrad A. Bremner

h) REQUEST TO CORRECT DATE OF BIRTH:

Paul E. Smith - From 12/12/1945 to 12/12/1947

i) REQUEST TO CORRECT DATE OF BIRTH:

Elizabeth Sutton - From 6/30/1932 to 6/30/1926

j) REQUEST TO CORRECT DATE OF BIRTH:

Ada Valarie Versea - From 4/9/1928 to 4/9/1919

k) W.C.A.B. - STIPULATED FINDINGS AND AWARD:

Jack E. Toomey - 74% ($28,927.50)

ACTION: It was moved by Ashe, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. CALLAN ASSOCIATES - MEASUREMENT REPORT:

Quarter Ending June 30, 1983

Representatives of Callan Associates (Edwin Callan and Ronald Peyton) presented written and oral reports to the Board on the measurement of the Retirement System's investment portfolio for the quarter ending June 30, 1983. Following completion of the written and oral reports, Board Members, Staff and representatives of Callan Associates exchanged views and comments on the contents of the reports. No action was taken by the Board on the reports.

SPECIAL ORDER

REQUEST FOR RECONSIDERATION OF BOARD ACTION OF JUNE 28, 1983, DENYING REQUEST TO PURCHASE STATE OF ISRAEL FLOATING PRIME RATE NOTES:

ACTION: President Denning ordered the request for reconsideration off calendar pending the presence of a full Board at a future meeting; the Acting Secretary-General Manager advised the Board that future action on this matter may be taken at any time in the form of a motion to rescind the Board's previous action.

REGULAR CALENDAR

ITEM

1. REPORT FROM ACTUARY RE ATTENDANCE AT RECENT PENSION CONFERENCES:

   Clare Murphy, Board Actuary, rendered a written and oral report to the Board on various issues and items presented and discussed at the following conferences:

   a) Washington Legislative Update

   b) Edward H. Friend Pension Conference

   c) Public Employees Conference

   ACTION: No action; information item only.

2. PROPOSED RESOLUTION RE REPORTING W.C.A.B. COMPROMISES AND RELEASES:

   ACTION: Off calendar pending further study and amendments to resolution.

3. ADJUSTMENT OF RETIREMENT ALLOWANCE: Ronald R. Killen

   From 50% to 65% (Ballot Vote)

   ACTION: By a ballot vote of five (5) affirmative votes, the Board approved the adjustment of Mr. Killen's retirement allowance from 50% to 65%, effective December 1, 1983.

4. HEARING OFFICER DECISIONS:

   a) ADAMS, Leslie F.
      Police - Q2 Officer
      Industrial Disability Retirement
      Effective Date: June 22, 1983 DENIED

b) BERTUCCELLI, Victor
Police - Q50 Sergeant
Industrial Disability Retirement
Effective Date: January 27, 1982 DENIED

c) BOSWELL, Albert L.
Mayor's Office - 1802 Research Assistant
Ordinary Disability Retirement
Effective Date: June 1, 1983 GRANTED

d) CONNORS, Virginia L.
Airport - 9203 Senior Communications Operator
Ordinary Disability Retirement
Effective Date: October 1, 1982 DENIED

e) KARP, Leonard G.
Fire - H2 Firefighter
Industrial Disability Retirement
Effective Date: August 13, 1983 GRANTED

f) LIBERT, Paul J.
Police - Q2 Officer
Determination and Bills DENIED

g) McDONALD, James
Police - Q50 Sergeant
Ordinary Disability Retirement
Effective Date: July 30, 1983 DENIED

h) MURPHY, Kenneth
Police - Q380 Inspector
Industrial Disability Retirement
Effective Date: February 23, 1983 DENIED

i) REDDICK, Mary (Ernest N.)
Fire - Lieutenant
Death Allowance DENIED

j) WATSON, Walter C.
Police - Q50 Sergeant
Industrial Disability Retirement
Effective Date: April 23, 1983 DENIED

ACTION: It was moved by Weisberg, seconded by Stanley, to accept the Hearing Officer decisions; motion passed, 5-0.

5. HEARING OFFICER REPORT FOR FISCAL 1982-83:

The Acting Secretary-General Manager submitted a written report to the Board disclosing the number of cases heard by hearing officers from the Office of Administrative Hearings and the American Arbitration Association on industrial disability retirements, ordinary disability retirements, determinations, death benefits, and rehearings.

ACTION: No action taken; information item only.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Robert F. Cowan

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve; motion passed, 5-0.

2. W.C.A.B. - COMPROMISE AND RELEASE:

Julio Helena - $10,000.00

ACTION: It was moved by DeMerritt, seconded by Stanley, to approve; motion passed, 5-0.

3. SETTLEMENT OF DISPUTED CLAIM - Subrogation and W.C.A.B. - COMPROMISE AND RELEASE:

Sam Osborne - $16,666.66

ACTION: It was moved by Stanley, seconded by Ashe, to approve; motion passed, 5-0.

4. REQUEST FROM CONTROLLER TO DESTROY RECORDS:

ACTION: It was moved by Weisberg, seconded by Stanley to approve; motion passed, 5-0.

5. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Jane Ann Campbell

ACTION: It was moved by Stanley, seconded by DeMerritt, to approve; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The Acting General Manager rendered the following reports to the Board:

1) A copy of the ballot argument in favor of Proposition G, the cost of living charter amendment, was distributed to the Board for comment and discussion.

2) That staff had met and conferred with SEIU Local 390/400 regarding contracting-out our building guard services; further information to follow.

3) That we had received a reply to our letter to City Attorney George Agnost regarding legal services for subrogation cases; the Board asked to be kept informed on this matter.

4) That approximately $6.5 million had been confirmed and committed to date re the MGIC mortgage plan; the Board was also informed that Dick Mason had resigned from MGIC and that a replacement was pending.

5) That staff needs to request a Supplemental Appropriation in an amount between $30,000 to $50,000 in order to provide new storage facilities for payroll volumes currently housed at 240 Van Ness Avenue. A motion was made by Weisberg, seconded by Ashe, authorizing staff to proceed with the Supplemental Appropriation and to submit a resolution to the Board at its next meeting for formal action on this request; motion passed, 5-0.

6) That the Board's Consulting Actuary, William Smith, has requested opportunity to address the Board in the near future on issues and points concerning the forthcoming valuation of the System; the Board directed that a meeting be scheduled in October 1983 for this purpose.

7) That during the Acting Secretary-General Manager's absence at the next Board meeting, September 13, 1983, Rudolph Hernandez will act in his place.

BOARD MEMBERS

Dr. Weisberg stated his opposition to the Board's action of August 9, 1983, approving membership in the National Conference On Public Employee Retirement Systems.

CLOSED SESSION

At this point, the Board went into closed session to discuss personnel matters.

There being no further business,

the Board adjourned its meeting

at 4:45 p.m.

Respectfully submitted,

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting, except General Manager's Report and Closed Session, contains references to meeting items.
Court Reporter: Carolyn Wilson,, CSR.

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

SEPTEMBER 13, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting - August 30, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar;

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 6-83

b) W.C.A.B. - COMPROMISE AND RELEASE:

Robert A. Cirimele - $2,677.50

c) REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

James B. Mahoney

d) REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

John J. Ruggeiro

e) REQUEST TO DISMISS APPLICATION FOR ORDINARY DISABILITY RETIREMENT:

Argamay Eddington

f) REQUEST TO CORRECT DATE OF BIRTH:

Freddie L. Birdies - From 11/16/1919 to 11/16/1918

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

NOTE: Dr. Weisberg arrived at this point in the meeting.

ITEM

1. RESOLUTION RE SUPPLEMENTAL APPROPRIATION:

Clare Murphy, Board Actuary, explained to the Board that

Staff was unable to provide cost figures, at this time, for move of various records in storage at 450 McAllister. Site selection of new storage space is still being explored. Costs will also include microfilming of records.

ACTION: Off calendar pending further information.

NOTE: Supervisor Nelder arrived at this point in the meeting.

2. REQUEST TO AMEND ALEXANDER AND ALEXANDER CONTRACT

Rudy Hernandez, Manager, Retirement System, explained request to amend contract with Alexander and Alexander. (Memorandum attached.)

ACTION: It was moved by Ashe, seconded by Bruschera, to approve request to amend contract with Alexander and Alexander; motion passed, 7-0.

GENERAL MANAGER'S REPORT

In the absence of the Acting General Manager, Rudy Hernandez, Manager, Retirement Services, discussed the following:

1) Mr. Hernandez reported that SEIU Local 390/400 has acknowledged that they have no objection to Retirement System contracting for guard services with Wells Fargo Guard Services.

2) Mr. Hernandez explained use of Compensation Division's management information services. In particular, the office of the Risk Manager has requested and received information on industrial accidents. The Risk Manager's safety officer will be able to use this information in his inspections of city departments.

During discussion, President Denning requested that staff prepare a resolution and recommendation to Board on costs to be absorbed by other departments who may use the System in the future.

BOARD MEMBERS

a) CALLAN INSTITUTE - Invitation to Attend Seminar

All Board members expressed the acceptance to attend Callan Institute's Seminar October 4, 1983 at the Mark Hopkins Hotel, San Francisco.

b) SCHEDULE FOR ACTUARIAL MEETINGS

Clare Murphy, Board Actuary, explained to the Board that a tentative schedule has been prepared for the Board to hear various presentations by Ms. Murphy and William Smith, Consulting Actuary.

Presentations will commence on October 18, 1983 at 1:30 p.m. Subsequent presentations will be scheduled for regular Board meetings.

President Denning also suggested that representatives of the Mayor, Board of Supervisors, Harvey Rose, Employee Relations and employee organizations be invited to attend presentations.

c) PURCHASE OF STATE OF ISRAEL FLOATING PRIME RATE NOTES

Supervisor Nelder moved to rescind the Board's action of June 28, 1983, i.e., vote of 4 to 2, not to purchase the Israel Floating Prime Rate Notes; motion seconded by DeMerritt.

During discussion, Supervisor Nelder indicated that she wished to rescind the vote, then wished to move to invest in Israel Notes and then move to invest one million dollars.

After a lengthy discussion, motion to rescind Board action of June 28, 1983 was defeated by a vote of 4 noes (Denning, Ashe, Bruschera, Stanley); 3 ayes (Weisberg, Nelder, DeMerritt.)

d) President Denning requested an update on Coldwell Banker Instutional Funds. Arnold Mattay, Assistant Chief of Investments, will convey request to Jack Stoufer.

e) Commissioner Bruschera related an incident at the San Francisco Airport involving a firefighter and an AIDS victim. Mr. Bruschera requested staff to investigate problems involving employee contact with persons having diseases and suggest how such problems might be solved.

There being no further business,
the Board adjourned its meeting
at 12:15 p.m.

Respectfully submitted,

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains reference to meeting items. Court Reporter: Rebecca Luce, CSR

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
770 GOLDEN GATE AVENUE
SAN FRANCISCO, CA. 94102

DATE: September 7, 1983

TO: Retirement Board

FROM: Rudolph Hernandez
Manager, Retirement Services

SUBJECT: Request to amend Contract with Alexander & Alexander

---

DISCUSSION: In January of 1983 the Retirement Board approved a contract with Alexander & Alexander to implement a Risk Management Information System and to provide consulting services as needed. The amount of the contract was $100,000 and the expiration date was 12/31/83.

The amount expended effective August 31, 1983 is approximately $63,000. I am requesting that the contract be modified by extending it through June 30, 1984 and increasing it by $50,000.

The $50,000.00 will provide funding for six months (January-June) of computer use - approximately $6,000/month and $14,000.00 for consulting services through June 30, 1984.

The Workers' Compensation Program assisted by Alexander & Alexander certainly seems to be controlling compensation costs. The increase cost in direct charges for the General Fund was 1.60% and for the Special Funds it was 2.73%. The budget for Workers' Compensation - General Fund for fiscal 1982-83 was $7,300,000., the actual amount spent was $6,629,243. After adjustments required for a proper comparison, the total increase over last year in General Fund cost for the Workers' Compensation Program was 3.32%! This cost includes the $100,000.00 for Alexander & Alexander charged to Fiscal 1982-83. A total of $670,757 was returned to the General Fund. I think that considerable progress can still be accomplished in reducing cost.

RECOMMENDATION: that the Retirement Board approve amending the current contract with Alexander and Alexander by extending the termination date to June 30, 1984 and increasing the amount by $50,000.

R. Hernandez

RUDOLPH HERNANDEZ
Manager, Retirement Services.

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

SEPTEMBER 27, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting - September 13, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 7-83.

b) W.C.A.B. - COMPROMISE AND RELEASE:

Edward Webb - $12,500.00

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Thomas A. Kasovich

ACTION: It was moved by Ashe, seconded by Stanley, to approve the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1) REQUEST FROM STAFF FOR SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF $35,000 FOR RECORDS STORAGE AND MICROFILMING:

ACTION: It was moved by Weisberg, seconded by Ashe, to approve the request; motion passed, 5-0.

Note: Commissioner Bruschera and Supervisor Nelder arrived at this point in the meeting.

2) REPORT OF CIVIL GRAND JURY FOR FISCAL 1982-83:

The Retirement Board was furnished a copy of the Civil Grand Jury's Report on the Retirement System for 1982-83, together with a copy of a draft reply to the Grand Jury's Findings and Recommendations. The Board reviewed and discussed the Report and the draft reply.

ACTION: The General Manager was instructed to revise the draft reply and to submit copies to Board members for their review and approval.

3) REQUEST FROM THE RETIRED EMPLOYEES ASSOCIATION OF THE CITY AND COUNTY OF SAN FRANCISCO FOR ENDORSEMENT OF LEGISLATION INCREASING LUMP-SUM DEATH BENEFIT.

The Board had before it a request from the Retired Employees Association to endorse a proposed amendment to Section 16.80 of the Administrative Code to provide for an increase in the lump-sum death benefit for all retired employees. Staff and representatives of the Retired Employees Association addressed the Board on this item.

ACTION: It was moved by Bruschera, seconded by DeMerritt, to endorse the proposed amendment to Administrative Code Section 16.80 to provide for an increase in the lump-sum death benefit for retired employees; motion passed, 7-0.

Note: Supervisor Nelder left at this point in the meeting.

4) HEARING OFFICER DECISIONS:

a) COLVIN, Charles A.
Muni - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date: June 1, 1983 GRANTED

b) COMBS, Lois M.
SFUSD - 2704 Custodian
Reinstatement from Ordinary Disability
Effective Date: October 1, 1983 GRANTED

c) DRAGO, Jack
Fire - Captain
Industrial Disability Retirement
Effective Date: July 5, 1983 GRANTED

d) DREYER, Roland
Fire - H2 Firefighter
Industrial Disability Retirement
Effective Date: July 10, 1981 DENIED

e) FORD, Richard
Muni - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date: December 11, 1982 GRANTED

f) JOHNSON, Reggie
Muni - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date: January 1, 1983 GRANTED

g) PORTE, Cheri L.
Public Administrator - 1460 Senior Legal Steno.
Ordinary Disability Retirement
Effective Date: May 1, 1982 GRANTED

h) SULLIVAN, Michael
Police - Q2 Police Officer
Industrial Disability Retirement
Effective Date: September 12, 1983 DENIED

ACTION: It was moved by Weisberg, seconded by Ashe, to accept the Hearing Officer decisions; motion passed, 6-0.

5) REPORT RE CHARTER AMENDMENTS ON NOVEMBER 8, 1983 BALLOT:

Staff furnished the Board copies of all final proposed charter amendments affecting the Retirement System on the November 8, 1983 municipal ballot. The Board and staff reviewed and discussed the charter amendments.

ACTION: No action; information item only.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST FROM INVESTMENTS DIVISION TO PURCHASE PRIVATE PLACEMENT: CALIFORNIA RESIDENTIAL MORTGAGES - $10 Million (Bosco Bill)

ACTION: It was moved by Ashe, seconded by Bruschera, to approve the private placement in the amount of $10 million; motion passed, 5-1 (Denning).

2. REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

William A. Wieger

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the request; motion passed, 5-0.

3. HEARING OFFICER DECISIONS:

a) FOSTER, Paul W.
Police - Q2 Police Officer
Industrial Disability and Determination
Effective Date: July 2, 1983 DENIED

b) PATON, Sidney
Police - Q60 Lieutenant
Industrial Disability Retirement
Effective Date: September 9, 1981 DENIED

c) RIDER, Shirley (Curtis C.)
Police - Q50 Sergeant
Death Allowance GRANTED

ACTION: It was moved by Bruschera, seconded by Ashe, to accept the Hearing Officer decisions; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The Acting General Manager rendered the following Activity Report:

1. That staff is implementing a reorganization and a redistribution of the workload at the Workers' Compensation Division, the results of which will be documented for the Board's attention at a future meeting.

2. That he attended the Wharton School of Finance recently, obtaining an in-depth introduction to the principles and practices of institutional money management.

3. That the Finance Committee of the Board of Supervisors will shortly consider our request to contract-out security guard services.

4. That a meeting was held with the System's equity money managers (attended by staff and two Board members) on September 21, 1983, at which time various subjects and issues pertaining to investments were reviewed and discussed. The Board will receive a full report on this and subsequent meetings to be held in the near future.

5. That the Controller's Office is about to start up a new payroll system for City Employees, the Retirement System being selected as an initial agency for conversion to the new system.

BOARD MEMBERS

Commissioner Bruschera requested that John Walsh, General Manager, Personnel, be notified in writing of the Board's desire that the examination for General Manager of the Retirement System be conducted as soon as possible.

The Board ordered that a letter to this effect be directed to Mr. Walsh over the signature of the Board President.

There being no further business, the Board adjourned its meeting at 1:10 p.m.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains reference to meeting items.
Court Reporter: Carolyn Wilson, CSR

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

OCTOBER 11, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Leon Bruschera	Vice-President
	Meta K. Stanley	Commissioner
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting - September 27, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) REQUEST TO DISMISS APPLICATION FOR ORDINARY DISABILITY RETIREMENT:

Robert Pender

b) REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Edward J. Korn

ACTION: It was moved by Ashe, seconded by Weisberg, to approve the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1) REPORT RE STATUS OF DEFERRED COMPENSATION PLAN:

Patrick Kalasardo, Regional Vice President of Hartford Variable Annuity Life Insurance Company, rendered a written and oral report to the Board on the current status of the Retirement System's Deferred Compensation Plan (see letter attached to these minutes.)

The Board and Mr. Kalasardo exchanged comments and questions and answers concerning the Plan.

ACTION: No action; information item only.

2) REQUEST TO AUTHORIZE ACCESS TO RETIRED ROLLS:

Mayor's Task Force Re Health Service

F. Walter Johnson, a member of the Mayor's Task Force, explained to the Board the reason for the request for access to the retired rolls and the type of questionnaire to be

mailed to a sampling of active and retired employees regarding health service coverage.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to authorize the Mayor's Task Force On Health Service access to a sampling of retired member addresses; motion passed, 4-0.

3) REQUEST TO ESTABLISH EFFECTIVE DATE OF RETIREMENT:

Scottie Cahee

Clare Murphy, Board Actuary, rendered a written and oral report to the Board regarding the status of Scottie Cahee, an employee of the Department of Public Health.

ACTION: It was moved by Weisberg, seconded by Ashe, to approve staff's request that Scottie Cahee's retirement be approved, effective August 1, 1983; motion passed, 4-0.

4) HEARING OFFICER DECISIONS:

a) DEA, John M.
Fire - H2 Firefighter
Ordinary Disability Retirement
Effective Date: January 25, 1983 GRANTED

b) McNAMARA, John
Assessor - 4261 Real Property Appraiser
Ordinary Disability Retirement
Effective Date: April 1, 1983 GRANTED

c) TOLLESTRUP, Robert
Fire - H2 Firefighter
Industrial Disability Retirement
Effective Date: July 6, 1982 DENIED

ACTION: It was moved by Weisberg, seconded by Ashe, to accept the Hearing Officer decisions; motion passed, 4-0.

NOTE: Dr. Weisberg left the meeting at this point.

5) RETIREMENT SYSTEM ANNUAL REPORT FOR 1982-83:

Granville DeMerritt, Acting General Manager, presented to the Board a preliminary copy of the Retirement System's Annual Report for 1982-83. The Board, Acting General Manager and Staff reviewed portions of the report at this time.

ACTION: No action; final action on adoption of Annual Report over to next meeting.

GENERAL MANAGER'S REPORT

The Acting General Manager rendered the following Activity Report:

1) That the Finance Committee of the Board of Supervisors had voted to approve our request to contract-out Retirement System security guard services;

2) That the Civil Service and General Administration Committee of the Board of Supervisors had voted to approve the Retired Employee Association request to increase the lump-sum death benefit for all retired employees;

3) That Supervisor Richard Hongisto's request for hearing to compare the administrative costs of the Retirement System and the State Public Employees Retirement System had been postponed to December 1983;

4) That all City and County departments and the two school districts had been notified in writing of the reorganization of Workers' Compensation teams for claims adjusting and disability benefits;

5) That the following meetings are scheduled for the Board:

   a) Actuarial Training Session:
      October 18, 1983 - 1:30 P.M.

   b) Quarterly Investment Meeting:
      October 25, 1983 - 9:00 A.M.

   c) Callan Associates Performance Measurement Report:
      November 8, 1983 - 10:00 A.M.

BOARD MEMBERS

President Denning informed the Board that a letter was being transmitted to John Walsh, General Manager, Personnel, requesting that the examination process for Retirement System General Manager begin as soon as possible.

There being no further business,

the Board adjourned its meeting

at 11:40 A.M.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains reference to meeting items.
Court Reporter: Olga Hayes Schmitt, CSR

October 11, 1983

Patrick J. Kalasardo, CLU
Regional Vice President
Sales Management — Pacific Division

THE HARTFORD

Individual Life, Health
and Annuity Division
Hartford Life Companies

650 California Street
Post Office Box 3615
San Francisco, CA 94119
415/445-3231

Mr. Granville DeMerritt,
General Manager
Employees Retirement System
City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

Dear Mr. DeMerritt:

Following is an update on the City and County of San Francisco Deferred Compensation Plan as of 9-30-83.

1. Number of active participants: 2,554

2. Number of increases in 1983: 653
   Number of new participants in 1983: 565

3. Amount of accumulated assets by investment account:

Fixed Account	$15,991,415	Advisers Account	863,545
Stock Account	6,237,505	Money Market Account	100,389
Bond Account	2,080,036	Gov't Sec. Account	39,107

4. Increase in investment accounts for the past 12 months through 9-30-83:

Fixed Account	12.2%	(currently 11.0%)
Stock Account	37.1%	
Bond Account	11.3%	
Advisers Account	N/A	
Money Market Account	8.24%	(current approximate yield)
Gov't. Sec. Account	N/A	

Sincerely,

Patrick J. Kalasardo, CLU, Regional Vice President
Hartford Variable Annuity
Life Insurance Company

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

OCTOBER 25, 1983 - 9:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting - October 11, 1983

ACTION: Approved as submitted

QUARTERLY INVESTMENT MEETING

INVESTMENTS CALENDAR

ITEM

I PRESENTATION BY EQUITY INVESTMENT MANAGERS RE EQUITY INVESTMENTS FOR QUARTER ENDING SEPTEMBER 30, 1983:

Representatives of the following firms, Investment Managers of the equity portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of equity investments for the quarter ending September 30, 1983:

a) Crocker Investment Management Corporation

b) Eaton & Howard, Vance Sanders, Inc.

c) Loomis, Sayles & Company

The Board engaged in a question and answer period with each firm.

II REVIEW AND DISCUSSION OF BOND PORTFOLIO AND TRANSACTIONS FOR THE QUARTER ENDING SEPTEMBER 30, 1983:

Jack Stoufer, Chief Investment Officer, rendered a written and oral report to the Board on the status of the bond portfolio and bond transactions for the quarter ending September 30, 1983. The Board engaged in a question and answer period with Mr. Stoufer regarding transactions for the quarter.

III REVIEW AND DISCUSSION OF INTERNALLY MANAGED COMMON STOCK AND CONVERTIBLE BOND PORTFOLIO FOR THE QUARTER ENDING SEPTEMBER 30, 1983:

Jack Stoufer, Chief Investment Officer, presented a written and oral report to the Board on internally managed common stock and convertible bond portfolio for the quarter ending September 30, 1983. The Board reviewed and discussed the report.

IV REVIEW AND DISCUSSION OF CALIFORNIA RESIDENTIAL MORTGAGE PORTFOLIO AND FORWARD COMMITMENTS:

Jack Stoufer, Chief Investment Officer, rendered a report to the Board on the current status of investments in residential mortgages in California per the provisions of the Bosco Bill. In ad-

dition, Mr. Stoufer indicated to the Board that the Mortgage Guarantee Insurance Company (MGIC) would shortly request a 90 day extension of the closing date for placement of the $25 million investment in California residential mortgages. The Board discussed the issues involved in this matter.

ACTION: It was moved by Weisberg, seconded by Bruschera, that staff be authorized to negotiate with MGIC regarding extension of the closing date and that the conditions set forth for the extension be brought to the Board for its consideration; motion passed, 6-0.

V REQUEST TO INCREASE HOLDINGS IN CONOCO, INC.:

Mr. Stoufer requested that staff be authorized an exemption to purchase up to $15 million par value (from $24 million par value) of CONOCO, Inc., 13¾% sinking fund debentures due January 15, 2011.

ACTION: It was moved by Weisberg, seconded by Ashe, to grant staff an exemption from policy limiting staff to 1.5% for a single issue, and that staff be authorized to purchase an additional $15 million of CONOCO, Inc., under terms as set forth by the Chief Investment Officer; motion passed, 6-0.

VI RECOMMENDED INVESTMENT POLICY AND ALLOCATION OF FUNDS FOR THE PERIOD ENDING JANUARY 31, 1984.

Mr. Stoufer presented to the Board a recommended policy for the investment and allocation of funds for the period ending January 31, 1984 (see attached).

ACTION: It was moved by Weisberg, seconded by Ashe, to approve the recommended allocation of $16 million to equities for the period ending January 31, 1984, said allocation to be disbursed equally among the equity investment managers; motion passed, 6-0.

In addition, the Board authorized that $3.5 million of the total new funds available for investment be allocated to pay retroactive benefits for retired safety members.

At this point, the Acting General Manager informed the Board that Arnold K. Mattay, Assistant Chief of Investments, had tendered his resignation in order to accept a position located in the San Diego, California area. Mr. Stoufer expressed to the Board his appreciation of the services rendered by Mr. Mattay during his tenure with the Retirement System. Board members thanked Mr. Mattay for his services and wished him success in his new endeavor.

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS, NO. 8-83 AND NO. 9-83

b) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Jaceta Daniels - $1,500.00

c) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Carletta McIntyre - $15,000.00 (to City)

d) SETTLEMENT OF DISPUTED CLAIM - Subrogation:

Terry Thompson - $3,991.46

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Federico Cadampog

f) REQUEST TO CORRECT DATE OF BIRTH: Festus Walsh

From 4/1/1922 - to 1/4/1921

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1) RETIREMENT SYSTEM ANNUAL REPORT FOR 1982-83:

Granville DeMerritt, Acting General Manager, presented to the Board a corrected and updated copy of the Retirement System Annual Report for 1982-83. The Board and Staff reviewed and discussed the contents of the Annual Report.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve publication and release of the Annual Report for 1982-83.

2) HEARING OFFICER DECISIONS:

a) CASTRO, Charles C.
DPH - 2526 Ambulance Driver
Ordinary Disability Retirement
Effective Date: November 1, 1983 GRANTED

b) DEWS, JR., David
MUNI - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date: January 1, 1983 GRANTED

c) HAMPTON, Emmett
DPW - 7514 General Laborer, Sewer Repair
Ordinary Disability Retirement
Effective Date: October 1, 1983 GRANTED

d) WARDA, Samuel S.
MUNI - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date: February 1, 1983 GRANTED

ACTION: It was moved by Bruschera, seconded by Ashe, to accept the Hearing Officer decisions; motion passed, 6-0.

3) ADJUSTMENT OF RETIREMENT ALLOWANCE: Thomas J. Carroll From 50% to 75% (Requires Ballot Vote)

ACTION: By ballot vote, the Board voted 5-1 (Denning) to approve the adjustment of Thomas J. Carroll's retirement allowance from 50% to 75%, effective August 21, 1980.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST TO DISMISS APPLICATION FOR ORDINARY DISABILITY RETIREMENT:

   Lionel T. Hess

   ACTION: It was moved by Bruschera, seconded by Stanley, to approve dismissal of Lionel T. Hess' application for ordinary disability retirement; motion passed, 6-0.

GENERAL MANAGER'S REPORT

Granville DeMerritt, Acting General Manager, rendered the following Activity Report:

1. That the Board of Supervisors had given final approval to our request to contract-out security guard services;

2. That the Board of Supervisors had given final approval to the amendment to the Administrative Code increasing death benefit payments for retired members;

3. That he and staff had met and conferred with representatives of the Civil Service Commission and Public Health Department regarding a substantial backlog in medical examinations administered to persons being certified to positions in City Service;

4. That Legal Counsel (Mr. Maguire) had brought to staff's attention a case requesting reinstatement of a survivor retirement allowance (continuation) due to a court-ordered annulment of marriage. The Board, Mr. Maguire and Clare Murphy, Staff Actuary, discussed the ramifications of the case and its effect on the Retirement System; the Board expressed agreement that this case and any other similar reinstatement cases may be administered internally without reference to the Board for determination.

5. That he will bring to the Board in November 1983 a proposal or plan regarding management of the bond portfolio and restructuring of the Investments Division. In addition, that he will bring to the Board in November 1983 a proposal regarding an asset allocation model from Dr. Frank Sortino of San Francisco State University, and a dissertation by Ms. Marcy Avrin regarding investment performance and management structuring.

BOARD MEMBERS

President Denning informed the Board that he had received a reply from John Walsh, General Manager, Personnel, regarding the holding of an examination for Retirement System General Manager and that he will meet with Mr. Walsh shortly to discuss this matter. Board members indicated that a response to Mr. Walsh's letter was in order.

There being no further business, the

Board adjourned its meeting at 1:40 PM.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains reference to meeting items.
Court Reporter: Richard Walker, CSR

October 25, 1983

October 21, 1983

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD ENDING JANUARY 31, 1984

FUNDS ANALYSIS

*Cash Available for investment as of October 13, 1983		$127,703,089
Projected net cash additions to the portfolio for the ensuing three months		19,500,000
Total funds available		$147,203,089
Less:		
Funds previously allocated for bond purchases	$ 43,859,817	
Funds previously allocated for California Residential Mortgages Fidelity only	14,608,652	
Funds Previously allocated for stock purchases	69,234,620	
Funds previously allocated for equity real estate	-0-	$127,703,089
		$ 19,500,000

RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD ENDING JANUARY 31, 1984

Funds invested in bonds:		
Funds invested in equity real estate mortgages:		
Funds invested in real estate equity:		
Funds invested in common Stock:		
Crocker Investment Management Corporation		
Eaton and Howard, Vance Sanders Incorporated		
Loomis-Sayles and Company Incorporated		
Total new funds available for investments	100%	$ 16,000,000**

* Temporarily invested in money market instruments

** $ 3.5 million allocated to pay cost of retroactive benefits for retired safety members.

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, Ca. 94102

NOVEMBER 8, 1983 - 10:00 A.M.

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
ABSENT	Raymond L. Weisberg, M. D.	Commissioner
	Wendy Nelder	President, Board of Supervisors

MINUTES Minutes of Regular Meeting - October 25, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 10-83

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Gloria A. Buck

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Edward A. Williams

d) W.C.A.B. - COMPROMISE AND RELEASE:

Robert J. Hare - $10,000.00

ACTION: It was moved by Stanley, seconded by Ashe, to approve the Consent Calendar; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. PERFORMANCE MEASUREMENT REPORT - Callan Associates

Quarter Ending September 30, 1983

A representative of Callan Associates, Ronald Peyton, presented a written and oral report to the Board on the measurement of the Retirement System's investment portfolio for the quarter ending September 30, 1983. Following completion of the written and oral report, Board Members, Staff and Callan Associates exchanged views and comments on the contents of the reports. No action was taken by the Board on the reports.

2. REPORT ON STATUS OF NEGOTIATIONS WITH MGIC:

Jack Stoufer, Chief Investment Officer, informed the Board that staff had met and conferred with a representative of Mortgage Guarante

Insurance Company (MGIC) regarding an extension of time for placement of the $25 million California residential mortgage plan previously approved by the Retirement Board. It was determined that there would be no extension of time for this purpose. Tom Leatherwood, representing the Public Pension Investment Project, addressed the Board regarding the mortgage plan. Based on a staff recommendation, the Board took the following action:

ACTION: It was moved by Stanley, seconded by Bruschera, that MGIC be authorized to add additional mortgages to MGIC approved lenders in order that the total commitment to MGIC will exceed the present mortgage amounts and that the interest rate to the Retirement System will equal or exceed the blended interest rate on the presently constituted package and shall be in accordance with the terms and conditions of the June 14, 1983 agreement excluding paragraph 9 a. b. and c. of Appendix B thereof; motion passed, 5-0.

3. PROPOSED OUTLINE FOR BOARD MEETING OF NOVEMBER 29, 1983 RE MANAGEMENT OF INVESTMENT PORTFOLIO:

ACTION: No action - information item only.

REGULAR CALENDAR

ITEM

1) HEARING OFFICER DECISIONS:

a) BLUNT, Seddie L.
SFUSD - 2709 Custodian
Ordinary Disability Retirement
Effective Date: October 1, 1981 — GRANTED

b) PARKER, Ruth
MUNI - 1446 Senior Stenographer
Ordinary Disability Retirement
Effective Date: March 23, 1981 — GRANTED

c) SIMPSON, Barry N.
Social Services - 2910 Social Worker
Ordinary Disability Retirement
Effective Date: September 13, 1983 — GRANTED

d) WASHINGTON, Robert
Public Works - 7514 General Laborer, Water Pollution
Ordinary Disability Retirement
Effective Date: May 1, 1983 GRANTED

ACTION: It was moved by Ashe, seconded by Bruschera, to accept the Hearing Officer decision; motion passed, 5-0.

NOTE: Commissioner Bruschera left the meeting at this point.

2) PRESENTATION BY DR. FRANK SORTINO, PENSION RESEARCH INSTITUTE, SAN FRANCISCO STATE UNIVERSITY:

Dr. Frank Sortino, Director of the Pension Research Institute, San Francisco State University, presented to the Board a proposal to include the Retirement System in a research project involving the development of an asset allocation model and performance and evaluation reports related thereto.

Granville DeMerritt, Acting General Manager, informed the Board of meetings held with Dr. Sortino regarding the research project and that staff fully supports the proposal to participate in the project. The Board, Staff and Dr. Sortino engaged in questions, answers and comments relative to the proposal. Daniel Mattrocce, former General Manager of the Retirement System, addressed the Board on this item and gave the Board additional background information on the establishment of the project.

ACTION: It was moved by DeMerritt, seconded by Stanley, that the Board approves the Retirement System's participation in the research project in accordance with the terms and conditions of the Research Agreement (herewith attached to these minutes) between the Retirement System and the Pension Research Institute; motion passed, 4-0.

CLOSED SESSION

At this point, the Board went into closed session to review and discuss litigation affecting the Retirement System.

The Board reconvened in public session and announced the following: That the Board, by a vote of 4-0, approved Legal Counsel's recommendation that the Retirement Board accept the court's decision (Superior Court No. 814133) that Ms. James' case be referred to the Hearing Officer for further hearing on an application for ordinary disability retirement.

GENERAL MANAGER'S REPORT

The Acting General Manager rendered the following Activity Report to the Board:

1) That the Board of Supervisors had approved the Retirement System's request for a supplemental appropriation in the amount of $29,867 for rental costs for additional space for record storage;

2) That he and Jack Stoufer had attended a seminar sponsored by A. G. Becker & Co. on Structuring Equity Managers.

BOARD MEMBERS

Commissioner Ashe requested an explanation from Legal Counsel regarding the Hearing Officer's denial of a petition for rehearing on behalf of Mary C. Reddick, widow of Ernest Reddick; Mr. Maguire explained the findings and reasonings for denying the petition.

President Denning informed the Board of a meeting he held with John Walsh, General Manager, Personnel, regarding the examination process for the position of General Manager of the Retirement System.

President Denning requested that the Board adjourn its meeting in memory of those members of the Armed Forces who gave their lives recently in Lebanon and in Grenada.

There being no further business, the Board adjourned its meeting at 2:20 p.m. in memory of those members of the Armed Forces who gave their lives recently in Lebanon and Grenada.

Respectfully submitted,

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains reference to meeting items.
Court Reporter: Olga Schmitt, CSR, CSR

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, CA 94102

NOVEMBER 29, 1983 - 10:00 AM

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT

Wendy Nelder, President, Board of Supervisors

MINUTES

Minutes of Regular Meeting - November 8, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS, NO. 11-83 and 12-83.

b) REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT: John J. Caulfield

c) REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT: Edward J. Laherty

d) REQUEST TO DISMISS APPLICATION FOR ORDINARY DISABILITY RETIREMENT: Garrett A. Lillethun

e) W.C.A.B. - COMPROMISE AND RELEASE: James Ramos, Sr. - $600.00

ACTION: It was moved by Weisberg, seconded by Stanley, to approve the Consent Calendar; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. PRESENTATION BY COLDWELL BANKER COMPANY RE RETIREMENT SYSTEM REAL ESTATE HOLDINGS:

Mr. Robert Lynch and two associates of Coldwell Banker Company addressed the Board regarding the Retirement System's commercial real estate holdings. This was followed by a question and answer period and comments relative to investments in commercial real estate.

ACTION: No action taken; information item only.

2. REPORT RE UPDATE ON MORTGAGE GUARANTEE INSURANCE CORPORATION LETTER OF COMMITMENT:

Jack Stoufer, Chief Investment Officer, informed the Board of the current status of the MGIC letter of commitment concerning the Retirement System's $25 million California residential mortgage plan administered by MGIC:

ACTION: No action taken; information item only. Further information to be presented at next Board meeting.

REGULAR CALENDAR

ITEM

1. ADJUSTMENT OF RETIREMENT ALLOWANCE: Robert J. Donnelly From 57½% to 90% (Requires Ballot Vote)

   ACTION: By a ballot vote of 6-0, the Board approved adjustment of Mr. Donnelly's allowance from 57½% to 90%, effective February 6, 1979.

2. HEARING OFFICER DECISIONS:

   a. GUENLEY, Irma V. (Robert C.)
      Police - Q60 Lieutenant
      Continuation of Death Allowance — GRANTED

   b. LIBERT, Paul J.
      Police - Q2 Officer
      Determination — DENIED

   ACTION: It was moved by Stanley, seconded by Weisberg, to accept the Hearing Officer decisions; motion passed, 6-0.

3. REPORT TO BOARD RE EXAMINATION FOR GENERAL MANAGER'S POSITION:

   Geoff Rothman, Division Manager, Civil Service Commission, addressed the Retirement Board regarding the processes and procedures involved in conducting a Civil Service examination for the position of General Manager of the Retirement System. The Board and Mr. Rothman exchanged viewpoints and comments regarding this matter.

   ACTION: It was moved by Weisberg. seconded by Ashe, to request Civil Service to proceed with the job analysis of the General Manager's position and to report the findings to the Board; motion withdrawn. Mr. Rothman to furnish additional material to the Baord for further discussion at the next Board meeting, December 13, 1983.

SUPPLEMENTAL CALENDAR

ITEM

1. W.C.A.B. - COMPROMISE AND RELEASE:

   Christopher Ransom - $5,750.00

   ACTION: It was mvoed by Ahse, seconded by Bruschera, to approve the compromise and release; motion passed, 6-0.

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:

   Gerald R. Fields

   ACTION: It was moved by DeMerritt, seconded by Ashe, to approve the request to withdraw funds from the Deferred Compensation Plan; motion passed, 6-0.

INVESTMENTS CALENDAR (continued)

3. PROPOSED PLAN RE RESTRUCTURING MANAGEMENT OF INVESTMENT PORTFOLIO:

   The Acting General Manager and the Chief Investment Officer presented to the Board an outline and memoranda on a proposed plan to restructure the management of the bond portfolio. The Board and staff exchanged viewpoints, opinions and comments on the subject.

   ACTION: No action taken; staff to develop additional material for the Board's consideration at its next meeting, December 13, 1983.

GENERAL MANAGER'S REPORT

The Acting General Manager presented to the Board the following:

1. A request to reinstate a survivor benefit based on a court decreed annulment of a marriage. Dan Maguire, Legal Counsel, advised the Board that, in his opinion the request should be referred to a Hearing Officer for determination.

   It was moved by Weisberg, seconded by Stanley, to refer the request for reinstatement of survivor benefit to a Hearing Officer for determination; motion passed, 4-2 (Ashe and Bruschera.)

2. The Board was informed of the results of the November 8, 1983, ballot re Charter Amendments affecting the Retirement System. A question and answer period ensued regarding the amendments.

3. Clare Murphy, Staff Actuary, addressed the Board regarding a future Board meeting on "non-economic assumptions" as related to the current valuation study of the Retirement System.

There being no further business, the Board adjourned its meeting at 5:35 P.M.

Respectfully submitted,

GRANVILLE De MERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains reference to meeting items.
Court Reporter: Carolyn Wilson.

RETIREMENT BOARD

SUPPLEMENTAL CALENDAR

NOVEMBER 29, 1983

ITEM

1. W.C.A.B. - COMPROMISE AND RELEASE:

   Christopher Ranson - $5,750.00

   ACTION:

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Felix P. Amora

   ACTION:

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Gerald R. Fields

   ACTION:

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Michael H. Lawrence

   ACTION:

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, CA 94102

December 13, 1983 - 10:00 AM

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Warren J. DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Peter D. Ashe	Commissioner
	Wendy Nelder, President, Board of Supervisors	

MINUTES Minutes of Regular Meeting - November 29, 1983

ACTION: Approved as submitted

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 13-83

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Walter Brown

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Daniel A. Flanagan

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Joseph P. Reid

e) REQUEST TO WITHDRAW APPLICATION TO RETURN TO DUTY:
John Simons

ACTION: It was moved by Bruschera, seconded by Stanley, to approve the Consent Calendar; motion passed, 5-0.

NOTE: Voluntary Service Retirement List, No. 13-83, was amended to correct clerical errors.

REGULAR CALENDAR

ITEM

1) ACTUARIAL PROGRESS REPORT:

Milliman and Robertson - Consulting Actuaries

William Smith, Consulting Actuary, and Clare Murphy, Staff Actuary, presented a written and oral report to the Board on data analysis of non-economic assumptions and alternative studies to be considered for the following valuation of the Retirement System.

Board members engaged in a question and answer period with Mr. Smith and Ms. Murphy regarding the contents of the report. Dr. Weisberg requested that a report be prepared showing CPI and wage data over a period of the last several years.

ACTION: No action taken; information item only.

2) PROPOSED CHARTER AMENDMENTS FOR JUNE 1984 BALLOT:

The Acting General Manager presented to the Board a proposed charter amendment to provide: a) That Section 3.670 be amended to delete reference to the Secretary-General Manager being appointed in accordance with the Civil Service provisions of the Charter; and b) That Section 3.672 be amended to provide that the Secretary-General Manager and the Chief Investment Officer, in addition to the Actuary, be appointed by the Retirement Board and who shall hold office at the Board's pleasure. In addition, the Board was informed of other charter amendments, previously submitted to the Board of Supervisors and which are currently in a "holdover" status.

Dan Maguire, Legal Counsel, answered Board questions concerning the legal aspects of the proposed charter amendment.

ACTION: It was moved by Weisberg, seconded by Stanley, to approve submission of the proposed charter amendment relating to Board appointment of the Secretary-General Manager and the Chief Investment Officer as prepared by Legal Counsel; motion passed, 5-0.

3) REPORT RE EXAMINATION FOR GENERAL MANAGER POSITION:

Geoff Rothman, Division Manager, Civil Service Commission, appeared before the Board as a follow-up to his presentation to the Board on November 29, 1983, to further explain the Assessment Center process utilized in conducting examinations for executive and management positions. The Board and Mr. Rothman exchanged viewpoints and comments relative to the process.

ACTION: It was moved by Weisberg, seconded by Stanley, that Civil Service be requested to proceed with the job analysis portion of the examination for General Manager of the Retirement System and that the Assessment Center method be used by Civil Service for the complete examination process; motion passed, 4-1 (DeMerritt).

4) HEARING OFFICER DECISIONS:

a) BARBER, Exie
SFUSD - Lunchroom Helper
Ordinary Disability Retirement
Effective: June 1, 1983 GRANTED

b) BOCKELMAN, Marie H.
SFUSD - Teacher
Ordinary Disability Retirement
Effective: November 1, 1983 GRANTED

c) GOLDSBOROUGH, James
SFUSD - Teacher
Ordinary Disability Retirement
Effective: May 1, 1983 GRANTED

d) GREGORY, Beatrice M.
SFUSD - Teacher
Ordinary Disability Retirement
Effective: October 1, 1982 GRANTED

e) HAMEISTER, Charles W.
PUBLIC HEALTH - SFGH - Sr. Stationary Engineer
Ordinary Disability Retirement
Effective: June 1, 1983 GRANTED

f) PARRA, Joseph
MUNI - Transit Operator
Ordinary Disability Retirement
Effective: July 1, 1983 GRANTED

g) THORNTON, Verdell
SFUSD - Teacher
Ordinary Disability Retirement
Effective: June 1, 1983 GRANTED

h) WILLIAMS, Edwin C.
MUNI - Transit Operator
Ordinary Disability Retirement
Effective: February 18, 1983 GRANTED

i) BREITBARTH, Richard
FIRE - H40 Battalion Chief
Industrial Disability Retirement DENIED

j) FAUSS, Mervyn L.
FIRE - H40 Battalion Chief
Industrial Disability Retirement
Effective: November 21, 1982 GRANTED

k) McDONALD, James
POLICE - Q2 Police Officer
Petition for Rehearing DENIED

ACTION: It was moved by Weisberg, seconded by Bruschera, to accept the Hearing Officer decisions; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1) PROPOSED PLAN RE RESTRUCTURING MANAGEMENT OF INVESTMENT PORTFOLIO:

Granville DeMerritt, Acting General Manager, and Jack Stoufer,

Chief Investment Officer, presented a written and oral report to the Board regarding the restructuring of the management of the Retirement System's bond portfolio. Dr. Frank A. Sortino, Director of the Pension Research Institute of San Francisco State University, participated in the discussion of this item as a facilitator. Board Members participated with staff in an extensive review and analysis of the proposed plan, which included information and recommendations in the following categories:

a) Schedule of bonds currently under in-house management;

b) Number and type of external bond managers;

c) Criteria for selecting external bond managers;

d) Method for evaluating and ranking bond managers;

e) Number and location of firms to receive questionnaire or consideration as external bond manager.

NOTE: Commissioner DeMerritt left the meeting at this point.

ACTION: It was moved by Stanley, seconded by Bruschera, to accept for consideration as an external bond manager any firm which manages approximately one billion dollars or more (excluding real estate and mutual funds) or any firm which is in the top quartile of performance in each of the last three years as published in the most recent tabulation of the Pensions and Investment Age newspaper; motion passed, 4-0.

ACTION: It was moved by Weisberg, seconded by Stanley, to approve the criteria for selection of bond managers, Nos. 2 through 9, of the Staff recommendations contained in the memorandum dated December 9, 1983; motion passed, 4-0.

Staff was instructed to furnish the Board the following material:

a) Staff criteria for weighting the variables to be used in ranking the bond managers;

b) A copy of the questionnaire to be sent to qualified bond managers;

c) A list of the projected time-table for the processing, ranking, and selection of the bond managers.

President Denning also requested that staff submit to the Board at its next meeting a report recommending criteria for limiting the amount of funds to be managed by the System's equity managers.

2) REPORT RE UPDATE ON MGIC COMMITMENT:

Jack Stoufer, Chief Investment Officer, advised the Board of the current status of the Mortgage Guaranty Insurance Corporation commitment letter relative to the Retirement System's investment of $25 million in California residential mortgages. Mr. Stoufer indicated that December 20, 1983, was set as the final date to enter into the commitment with MGIC. Mr. Stoufer stated that he will furnish the Board the final mortgage and rate of return amounts at the Board's next meeting.

ACTION: No action, information item only.

SUPPLEMENTAL CALENDAR

ITEM

1) REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:

Felix P. Amora

ACTION: It was moved by Bruschera, seconded by Stanley, to approve the request; motion passed, 4-0.

2) REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:

Michael H. Lawrence

ACTION: It was moved by Bruschera, seconded by Stanley, to approve the request; motion passed, 4-0.

GENERAL MANAGER'S REPORT

The Acting General Manager rendered a current activity report to the Board, all of which was information only.

BOARD MEMBERS

All Board Members were furnished a list of initial 1984 conferences, seminars, and workshops. President Denning instructed Board Members to communicate their preferences to the Acting General Manager.

The Board noted with sadness the sudden passing away of Mortimer F. McInerney, Esq., retired Deputy Chief of the San Francisco Police Department and a noted attorney.

There being no further business, the Board adjoured its meeting at 4:50 PM in memory of Mr. Mortimer F. McInerney.

Respectfully submitted

Granville DeMerritt

GRANVILLE DeMERRITT
Acting Secretary-General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Olga Hayes Schmitt, CSR

December 13, 1983